

## The Tabloid

Five pages on cinema

## Education+

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# Shirtsleeved Major rallies the Tories to his cause

Anthony Bevins  
Political Editor

John Major yesterday whipped his party together on Europe, with a bravura question-and-answer session that brought out all the hard-hitting qualities of his 1992 election campaign.

But, while the Prime Minister's performance thrilled his Bournemouth audience, the real test of the Tories' new unity will come when Kenneth Clarke, Chancellor of the Exchequer and big game of the Euro-sceptic Right, faces the conference today to reiterate the government case for keeping an open mind on a single currency.

Senior ministers believe that, if the party can unite, it is in with a fighting chance of winning a fifth term of office in the next election: if the Euro-sceptics continue sniping from behind, the party will go down to defeat.

There was no sign of abatement in the attack from what one minister described as the "loony-time" fringe yesterday.

But Mr Major told the conference that there was one thing that would distinguish the Tory case for the development of a Europe of nation states and Labour's determination to use it for the introduction of back-door socialism.

"It would be if this party stopped conducting an internal debate with itself and began conducting a debate with the electorate and the Labour Party," he said to loud applause.

"My job," he added later, "is to take our ideas to Europe not just hijack their ideas and bring them back here."

Hitting all the buttons of an essentially loyalist audience, a shirt-sleeved Mr Major said the great prize of Europe would be the drawing aside of "an economic iron curtain", allowing the countries of eastern and central Europe into the European Union.

But he then directly took on

the dissidents, saying that while it might win him "easy applause", there would be immense risks from unilaterally and immediately ruling out British participation in a single currency - effectively withdrawing from negotiations on the terms of its creation.

"This is an issue, which if it were to go wrong, could crack wide open the European Union as we have seen it build up over the last 25 years," he said.

"And if it cracked it open, then it would impact on this country as well, so we need to make sure in the national in-

decided that, there there would be a referendum of the full nation specifically on that particular question."

While some pro-European ministers believe that argument could be won over a two-month referendum campaign, many believe that a Conservative government will not be able to enter a single currency in the next Parliament - even if Mr Major does win.

Meanwhile, however, Mr Clarke is actively engaged in preliminary negotiations on the formation of a single currency, which made marked progress during a Dublin meeting of economic and finance ministers earlier this month.

And it is Mr Clarke who will provide the limus 'test of unity' when he addresses the conference - following the announcement of the latest inflation figures this morning.

"The test is so critical that it was even considered whether he should mention the single currency. However, it was decided that the issue had to be faced."

Nor will the politically pugnacious Mr Clarke duck the question of tax cuts. One Treasury source said yesterday that tax cuts would have to be paid for by spending cuts, which no Cabinet colleague has been quick to volunteer.

One minister even said last night that the promised expansion of workfare remained an experiment, because the Treasury was not yet satisfied that a national scheme would provide actual savings.

In yesterday's trail-blazing question-and-answer session - a conference first for any prime minister - Mr Major told representatives: "If the Conservatives are out on the streets, knocking on the door saying we are the Conservatives, this is what we stand for, we win."

"And if they're winning their hands saying we're behind in the opinion polls, we're very unpopular, then they don't win."

Donald Macintyre, page 21

# Ancient spires dream of a new Ivy League



Photomontage: JOHANNAN MASTEBRIAN HARRIS

FRAN ABRAMS  
Education Correspondent

Universities should be remodelled on the American system with Oxbridge, Durham and London forming an elite Ivy League, the Secretary of State for Education believes.

The statement from Gillian Shephard, in an interview with *The Independent*, is bound to anger some vice chancellors, who want a chance to work their way up the league table.

In the first hint of government thinking on universities since the launch of a major inquiry into their future, Mrs Shephard said she was "obsessed" by the need for high standards and well-funded research.

"I am interested in the model that the States presents. Of course, we have a great tradition of our own with very ancient institutions, and it seems to me that together we can produce a solution which can work for us," she said.

The inquiry, headed by Sir Ron Dearing, is not due to report until next year. His appointment was supported by all the political parties, and was designed to put off the issue of university funding and expansion until after the general

election. However, Mrs Shephard seemed to pre-empt his findings when she suggested that the future of most universities might be left to market forces.

The Americans had "an enormous and fairly uncharted

more parts of varying status. Those at the top would receive most of the research funds and might possibly choose to charge higher fees."

European universities tend to be large and to have similar levels of status while American ones vary in size and standards. In America, Ivy League universities - such as Yale and Harvard - can attract more research funding and enjoy prestige status.

With one in three 18-year-olds now going to university, compared with one in five a decade ago, Sir Ron has been asked to look at how the system should be funded in the future.

US universities give students bursars for their tuition, but such a solution is unlikely to be politically acceptable here. However, ministers do want to encourage universities to seek more sponsorship.

Mrs Shephard's view seems to suggest that she wants to see most research funding going to the top few universities. This trend is already angering vice chancellors who want excellent departments in otherwise run-of-the-mill universities to receive extra cash. She said it was vital that the best universities had good research facilities.

"Very well-funded research encourages excellence in higher education and enables universities to build up excellent departments which improve their overall performance," she said.

A spokesman for the Committee of Vice Chancellors and Principals said the Americans' elite structure would be welcome but their fees would not. "We should preserve excellence wherever it is to be found, but we should not under any circumstances have an elite set of universities to which only the wealthy can go," he said.

"In the United States there is not only the Ivy League and the community colleges but there's also a huge graduation in between."

"You could have an End-sleigh League and a Beazer Holmes League as well. Here we have a better sense of community," he said.

David Watson, director of the University of Brighton and a member of Sir Ron's inquiry team, said there were many positive things about the British university system which should remain. Americanisation could cause it to be fragmented, he said.

"In the United States there is not only the Ivy League and the community colleges but there's also a huge graduation in between."

"You could have an End-sleigh League and a Beazer Holmes League as well. Here we have a better sense of community," he said.

## Opposition politicians should get the video of yesterday's triumph, and shiver a little

Leading article, page 19

Interest that we have Britain's voice in this debate? Mr Major said that if the single currency failed, "then the fall-out... would make the fall-out of the collapse of the Exchange Rate Mechanism look like a teddy bears' picnic, economically, right across Europe."

Bolestering his position still further, he reassured the conference, to strong applause, "If a future Conservative Cabinet decided that it was right to enter into a single currency, if it

decided that, there there would be a referendum of the full nation specifically on that particular question."

"And if they're winning their hands saying we're behind in the opinion polls, we're very unpopular, then they don't win."

Donald Macintyre, page 21

# Scottish goalkeeper untroubled in easiest World Cup victory

Phil Shaw  
Tallinn, Estonia  
and Steve Rogers

Brian Clough once said that "it only takes a second to score a goal" and yesterday the Scottish national side proved him right by winning 3-0 in as many seconds without breaking sweat.

The result against Estonia - a rare Scottish away win - was achieved not by skill, guile or heart, not by giving 110 per cent and certainly not by outplaying the opposition. Because there wasn't any.

The win, only the second of its kind in a World Cup qualifier, was achieved because the Estonians failed to turn up. At three seconds past three Estonian time, with the song "One team in Tallinn, there's only one team in Tallinn..." ringing in their ears, the Scottish side walked off the pitch with three points in the bag.

At the same time, 60 miles away, the Estonian national side was embroiled in a dispute with FIFA, the world football governing body, over kick-off times



John Whitley  
"I'VE NEVER FURTHER AGAINST THE O-B-O FORMATION BEFORE"

Overnight, FIFA agreed and the kick-off was brought forward, first to 5pm and then to 3pm after more protests by the Scots. By 1.30pm, however, the Estonians had not turned up.

Officials who did told the referee, Miroslav Radoman, that the team was still at the training camp, eating a pre-match meal.

Knowing the Estonians did not plan to make the 3pm kick-off, the Scots put on their kit and took to the pitch in a pre-match warm-up in front of their 700 travelling fans. At the allotted time, Billy Dodds of Aberdeen touched the ball to John Collins of Monaco and three seconds later Mr Radoman blew his whistle, abandoning the game. Pending confirmation from the FIFA authorities in Zurich, Scotland are likely to be credited with the standard 3-0 win awarded when the opposition fails to turn up.

There was speculation last night that the Estonian no-show may have had something to do with £50,000 in lost television rights. BBC Scotland was

understood to have offered the fee for coverage of the match at its 6.45pm slot.

However, when it was brought forward, it coincided with the BBC's coverage of a memorial service for the victims of the Dunblane massacre, meaning the football coverage was abandoned.

Mr Brown said that the fiasco had "left a bad taste in the mouth". He added: "We have not been told yet by the FIFA delegates if we get the points. We will comply with whatever FIFA say next."

"We are giving the players their jerseys and the International Committee will decide if they are to get their caps."

The Estonian manager, Taur Taurason, an Icelandic, said there was "something dirty" about the whole affair. "I feel terrible. It was too late for us to change the time when we were told. We were looking forward to playing Scotland; we were ready for the match and the players were fit."

The match that wasn't, Page 32

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## Independent Decade

From Big Bang to City scandal: Sarah Hogg, Hannah McRae, Christopher Huhne and Jeremy Warner - *The Independent's* four business editors - on 10 extraordinary years in economic management, the City and business. Pages 22-23



## news

Blast aftermath: Massive investigation after Ulster attack exposes serious breach of security

## Bomb plans laid months ago

DAVID MCKITTRICK  
Ireland Correspondent

The RUC yesterday revealed that the IRA had been involved in planning this week's bomb attacks on the British army's headquarters in Northern Ireland as long ago as June.

Two people were yesterday described as critically ill following the two car bomb explosions within the army base at Lisburn, Co Antrim on Monday. The RUC yesterday described the attacks as an attempt at mass murder.

The RUC detective heading the investigation into the bombings, Chief Detective Superintendent Derek Martindale, said three vehicles were involved in



Wanted: a photofit of the suspect Lisburn bomber

the attacks. The indications are that the bombs were contained in two Volvo estate cars, and that the bombers made their

escape in a Volkswagen Passat. Det-Supt Martindale said the bombs had been placed in two car parks about 100 yards apart. The first exploded in the motor transport car park, while the second went off 15 minutes later outside a medical centre.

He added that some of those wounded in the first explosion had been further injured by the second. "I have no doubt this was a deliberate attempt at mass murder. They wanted to create the maximum threat to life. It is particularly sickening that they decided to delay the second explosion by 15 minutes, to further injure those injured in the first explosion."

The bombers seem to have gained entry to the headquarters

by using a "passholders only" lane at the main gate. This has raised the issue of whether they used false identification passes. Almost 200 police are involved in the investigation of what is regarded as one of the most serious security breaches ever seen in Northern Ireland. Police are sifting through a large amount of video evidence from security cameras, while the army is conducting a review of security at the base.

Det-Supt Martindale said one of the Volvo vehicles had been bought in the Lisburn district on 4th June, while two other vehicles had been bought on 3rd July and 23rd September. Police yesterday issued a photofit likeness of a man who

purchased one of the cars. In all, the three vehicles cost the IRA almost £12,000.

Meanwhile, political activity yesterday centred on denunciations of the IRA violence coupled with appeals to loyalist paramilitary groups not to break their ceasefire. The Taoiseach, John Bruton, accused the IRA of a cynical betrayal of the peace process, comparing the IRA to the Nazis.

President Clinton's national security advisor, Anthony Lake, also appealed to the loyalists to show restraint.

The Northern Ireland Secretary, Sir Patrick Mayhew, said he would not close the door forever on Sinn Féin's possible entry into talks, but said that day

had been put back. He said in a BBC interview: "If you behave like this, everybody perceives a threat that there will be more to come unless you deliver the kind of settlement the IRA and Sinn Féin want."

"I'm not going to say 'never and for ever', because I don't believe it's sensible to close doors for always. But, of course, they put it back, and make it a harder job to convince the rest of us that they will be sitting there truly on democratic and peaceful terms."

The IRA said last night that Diarmuid O'Neill, shot dead by police in west London last month during raids that netted a ten-ton haul of explosives, was one of its members.



Fear on the streets: A woman passes a soldier back on patrol on the Falls Road in Belfast yesterday

Photograph: Peter Macdiarmid

## Great mood that drained away

JOJO MOYES

In the centre of Franklin Hunter's workshop, Renaissance ironworks, in east Belfast, is a high backed iron chair that he refuses to sell - it is the chair used by President Clinton during his visit nearly a year ago.

Mr Hunter, 59, talks eagerly of the visit, as do most of the businesses on the two-year-old Conswater Industrial Estate. Halfway through the ceasefire, the visit was a potent symbol of renewed optimism and the rejuvenation that had begun to take place in even the poorest areas of Northern Ireland.

"There was a buoyancy, a great mood," Mr Hunter says of the American President's visit. "Everyone was here to see."

Yesterday afternoon in east Belfast, however, the mood was rather different. As the full significance of the IRA's admission of the Lisburn bombings sank in, it was not one of shock but of resignation. After the tensions of the past few months, most people feel the IRA's actions had an air of inevitability. What concerned them was how to stop it escalating.

Mr Hunter, who describes himself as apolitical, said the problem lay with the intransigence of politicians. If it was left to the "ordinary man" peace might progress. "We've got to get through with all these monosyllabic politicians - all you hear is them saying 'no, no, no'. We should kick them out. It's politics that's keeping the people apart."

Conswater Estate is something of a symbol of change. Situated in Protestant east Belfast, one side is overlooked by the grim facade of the former UDA headquarters. On the other is the Conswater Shopping Centre, a thriving, modern mall.

Business has been good for the small firms here since the ceasefire and yesterday most appeared determined to keep it like that. At Irvine Office Equipment, a woman who declined to be named, said she and her colleagues wanted to "just keep on with ordinary life."

Whether the Loyalists would escalate the situation would depend on "how far the IRA were going to push it", she said. "That's why they've got to keep talking."

This was reiterated by a spokesman for the local enterprise agency. "It was euphoric here last year," he said. "You hope they will just keep talking."

Provided the politicians take heed, for Mr Hunter, there is hope for the peace process. "I think people will eventually come to realise that there's merit on both sides. I still view it with optimism."

## Lisburn attack severest test for Loyalist politics

DAVID MCKITTRICK  
Ireland Correspondent

One of the most surprising and most welcome features of the peace process was the emergence of the fringe loyalist parties - the new breed of articulate working-class loyalists advocating dialogue in preference to violence.

New parties, the Progressive Unionists and the Ulster Democratic party, and new faces such as David Ervine, Billy Hutchinson, Gary McMichael and Davy Adams, put a modern, and astonishingly moderate, gloss on loyalist paramilitarism.

The image of the gunman in the halcyon was suddenly superseded by these articulate men, many of whom had thought deeply about politics while in prison.

In common with the IRA, illegal loyalist groups such as the Ulster Volunteer Force and Ulster Defence Association did not disband. But when the IRA cessation ended in February the loyalists maintained their ceasefire and continued to give politics a chance. In elections in May they were rewarded with 43,000 votes, almost 6 per cent of voters supporting them.

The IRA attacks in Lisburn are providing the severest test yet of the depth of the loyalist commitment to politics. From almost all sides come appeals to them not to open fire again; but

from some sections of their grassroots there is pressure for a return to war.

The arguments are finely balanced. Those who want to maintain the ceasefire can point to their votes as evidence of support, and argue that much of it would disappear if their ceasefire ended. They can also argue

that the loyalist parties still have a place at the table in the Stormont political talks. Ending their ceasefire would mean their automatic expulsion into the political wilderness.

They can also point to the new relationships established with important political elements in Belfast, Dublin, London and Washington. The moderates can also con-

tend that re-opening a sustained campaign of killings will guarantee that Northern Ireland is plunged into large-scale violence. Loyalist aggression would obscure the responsibility of the IRA for re-starting violence, and deflect at least some of the criticism from republicans.

But arguments will be heard for a resumption. The political approach of Mr Ervine, Mr Hutchinson and others was based on the assumption that republicans were ready to negotiate rather than fight, a contention which Lisburn has undermined.

If the conclusion is that negotiation is off the agenda, and that the IRA is intent on a return to war, then the ending of the loyalist ceasefire is inevitable. But if there is a possibility that the IRA wants to fight a limited campaign and envisages another peace process at some future stage, then the loyalist leaders may pause.

Discreet communication channels are known to exist between the extremes of republicanism and loyalism, and it may be that messages are even now passing back and forth.

But one argument for resumption to violence is based on tradition: that loyalist paramilitarism has been necessary to protect the union with Britain. Viewed from this perspective, the ceasefire has simply been a holiday from the perpetual struggle against republicans.



David Ervine: Moderate gloss on paramilitarism

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to talk,  
but  
sometimes  
it's good  
to listen.

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RadioTimes

IT'S NOT WHAT YOU EXPECT.

## Wallace faces possibility of new death trial

STEVE BOGGAN

A former army information officer who claimed he was framed over the manslaughter of his friend had his conviction quashed yesterday, 10 years after being released from a six-year prison term.

But within minutes, Colin Wallace, 53, whose name has become synonymous with allegations of MI5 intrigue and Ministry of Defence subterfuge, heard that the Crown Prosecution Service is to seek a re-trial on the same charge.

Mr Wallace, of Arundel,

West Sussex, was sentenced to 10 years for the manslaughter of Jonathan Lewis, an antique dealer. He was found drowned in the river Arun, West Sussex, in 1980. Mr Wallace was due to meet Lewis on the night he died to discuss a friendship he had developed with Lewis's wife, but he has always denied killing him.

During his trial in 1981, the jury was told that Lewis had suffered a skull fracture while being knocked unconscious by a karate blow before being drowned. The karate chop assertion, made by a Home Office pathologist, Dr Iain West, was

later followed by newspaper pictures of Mr Wallace, a former paratrooper, in SAS uniform, incorrectly giving the impression that he had been trained in unarmed combat.

Yesterday evidence from two other pathologists contradicted Dr West's theory. Lord Bingham, the Lord Chief Justice, sitting at the Court of Appeal, ruled the conviction unsafe and said that if the members of the trial jury were allowed to accept the karate chop theory for the skull fracture they were "plainly misled".

After the hearing, Mr Wal-

lace, who served as an army information officer in Northern Ireland until his dismissal in 1975 for handing over a classified document to a journalist, said he believed Lewis had been murdered by rivals in the antique trade. "The police have evidence of this but have suppressed it," he said. "For the last 16 years, successive Home Office ministers have told MPs there is no reason to doubt the original findings and now key parts of the evidence have been abandoned and other parts discredited by experts."

He said he would vigorously

oppose the prosecution's application for a re-trial and would seek compensation for the years he spent in prison.

The karate chop theory was contradicted by Professor Bernard Knight, also a Home Office pathologist. He told the court at a hearing in July that such a powerful blow would have damaged Mr Lewis's nasal bones, as well as causing bleeding, swelling and bruising. But there was no evidence of this.

It had been the Crown's case that Lewis had been knocked out by Mr Wallace and dumped in the river two hours later.



Colin Wallace: Dispute over karate chop theory

## significant shorts

## Prince grieves with Dunblane families

The Prince of Wales attended a memorial service in Dunblane yesterday for the 16 children and one teacher who were killed in the school massacre by gunman Thomas Hamilton in March this year.

Michael Forsyth, Secretary of State for Scotland and local MP, and Labour's George Robertson, who has lived in the city for 20 years, also attended the service, entitled "Out of Darkness Into Light", which was organised by families and friends of the dead and injured. In a moving tribute, relatives came forward to light a candle for each life lost on 13 March.

The sermon was delivered by the Very Rev Professor James Whyte, who was chosen by the families and who took the memorial service after the Lockerbie disaster. "Darkness cannot be allowed the last word," he said, adding that the candle was a good symbol for children because it was small yet bright and warm. But, he said: "The candle is also a symbol of fragility, vulnerability. It is easily snuffed out."

## London camps for refugees

The prospect of refugee camps in London's parks and open spaces was raised yesterday by Andrew Slaughter, leader of Labour-controlled Hammersmith & Fulham Council, in a letter to Stephen Dorrell, the Secretary of State for Health.

The council is one of the three authorities ordered by the High Court on Tuesday to provide the basics of life to destitute asylum seekers who do not qualify for income support. Tory-controlled Westminster and Labour Lambeth are also subject to the ruling. Mr Slaughter said the Tent City site at Wormwood Scrubs, west London, was being readied in anticipation of hundreds of claimants in coming weeks. The council says there is no money in its budgets and no room in council accommodation to meet the needs of the expected rising numbers.

Patricia Wynn Davies

## Smoking link to blindness

American scientists at the Massachusetts Eye and Ear Infirmary, in Boston, have established a link between smoking and loss of vision due to an age-related condition. A 12-year study of almost 32,000 female nurses found that those who were current and past smokers had a significantly greater risk of the condition, known as Age-related Macular Degeneration (AMD), than non-smokers. AMD is the main cause of blindness in people aged over 65. Liz Hunt

## Veteran Tory MP dies

Sir Nigel Fisher, a Tory MP from 1950 until 1983, died yesterday aged 83, his son, Mark Fisher, who is a Labour front-bencher, confirmed.

Sir Nigel, who represented Surlingham for most of his Westminster career, served as Under-Secretary for Commonwealth Relations and the Colonies in the 1960s.

Obituary, page 14

## Taxman loses as wine pours over Channel

The amount of wine and spirits pouring in to Britain via cross-Channel shopping has risen dramatically over the past year, confirming a growing trend that the avoidance of paying UK excise on alcohol is becoming a way of life.

According to figures released by the Wine and Spirits Association yesterday, more than a quarter of all wine drunk in this country is bought in Calais, with one in eight bottles of spirits consumed being purchased by cross-border shoppers.

The figures represent a loss of £145.36 in excise and VAT for the Treasury for every tonne coming from Calais with a total shortfall, excluding beer and the Channel Tunnel, of £573.1m - about 10 per cent of the Exchequer's income from excise duty on drink. Charlie Bain

## Jersey wins sunshine war

Jersey has beaten Eastbourne in the sunshine wars and been reinstated as the sunniest resort in the British Isles.

Earlier this year, the Essex town appeared to have put Jersey in the shade when it successfully persuaded the Independent Television Commission (ITC) to stop the island from running television commercials claiming that it gets more sunshine than anywhere in Britain. The Jersey authorities appealed and the ITC has ruled that the Channel island does average more sunshine than anywhere else, and may say so. Philip James

## Woman on bail over dead baby

Millionaire's daughter Emma Gifford was remanded on bail until 13 November when she appeared in court yesterday on a charge of killing her new-born baby. She had earlier been charged with concealing the birth of a baby whose body was allegedly found in the freezer at her London flat in April this year. Ms Gifford, 21, of Ashford, Kent, is the daughter of Michael Gifford, who retired last year as chief executive of the Rank leisure group.

## Painting by Hitler for sale

An untitled watercolour thought to be by Adolf Hitler goes on sale next week after remaining undiscovered in a British ex-serviceman's home for half a century. The painting, which shows a series of tiny black figures scurrying across a square in Vienna, is thought to date from before the First World War. It will be auctioned next Wednesday by Dickinson, Davy & Markham, of Brigg, Lincolnshire.

## Harmony at last for Geldofs

Bob Geldof and Paula Yates's custody battle over their three children was resolved yesterday, after a four-day private hearing, when they agreed to share the care of the youngsters. A joint statement, read by a solicitor, said: "They have now resolved matters in a way which they both believe to be in the best interests of the children."

## THE INDEPENDENT ABROAD

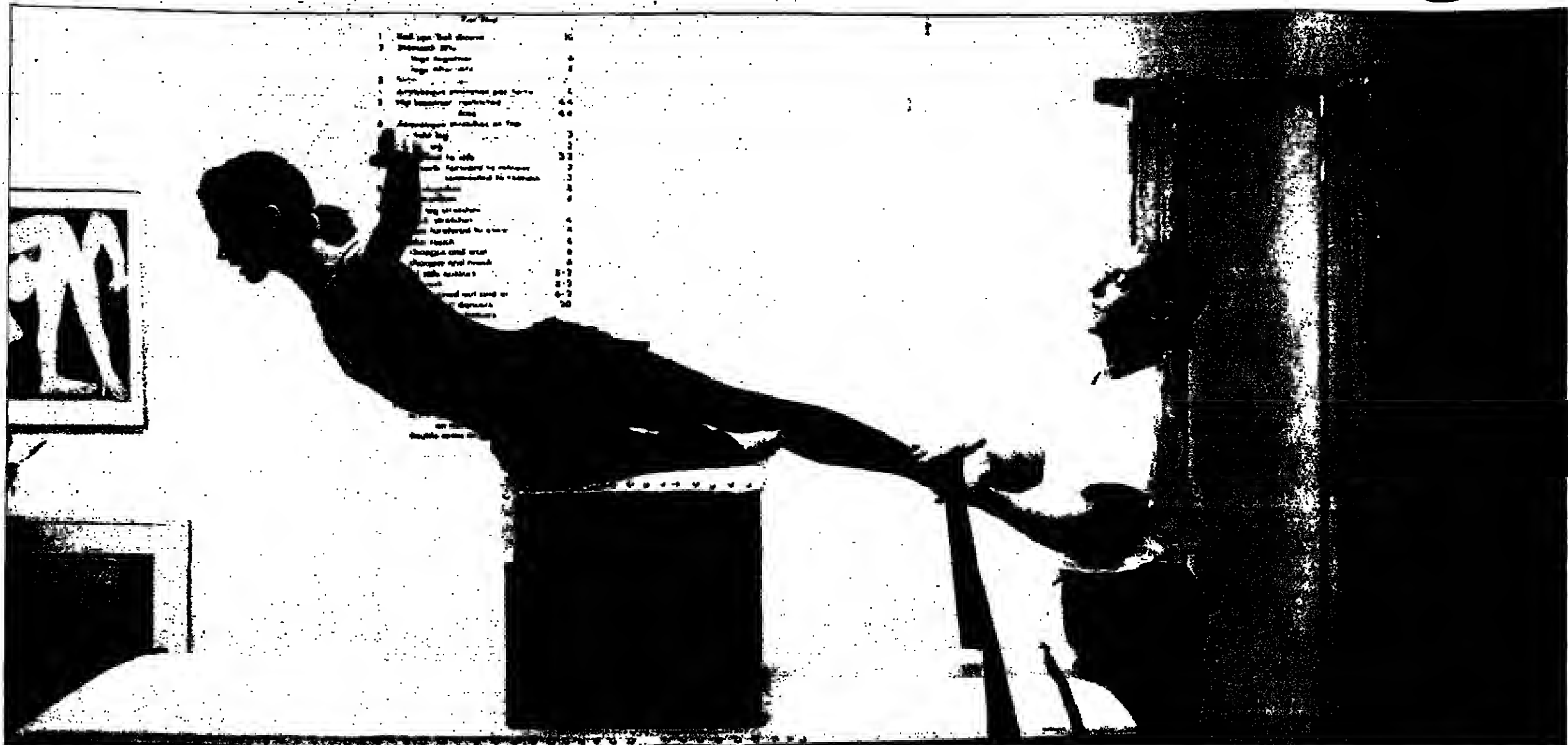
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Belgium	£5.80	Spain	£4.50
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## BACK ISSUES

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# The ballerinas who dance with danger



Steps to fitness: Deborah Bull, a principal dancer at the Royal Ballet School, being put through a stretching exercise by Dreas Reyneke at the Body Toning Studio, London

Photograph: Laurie Lewis

CLARE GARNER

## Royal Ballet star tells how she and others put health at risk through ignorance

Deborah Bull, one of the principal dancers at the Royal Ballet School, has confessed to an unhealthy lifestyle of intermittently starving herself, making excessive demands on her body and ignoring warning signs of early injury.

Ms Bull, 33, admitted that until three years ago she was ignorant of "simple but vital facts" about health and fitness. Only when she met her boyfriend, Torje Eike, 40, the physiotherapist responsible for keeping the Rolling Stones on the road, did she realise the damage she was doing.

"You may find it surprising

that it is possible to reach such an elevated state without being an athlete who is an athlete and an athlete who is an athlete," said Ms Bull.

Speaking at this week's launch of *Fit to Dance?*, Ms Bull, 33, endorsed the conclusions of the book's five-year national inquiry into dancers' health and injury. The book describes how ballet dancers routinely abuse their bodies and hammers home the message that prevention is better than cure.

The inquiry, funded by the Gulbenkian Foundation, involved 658 professional dancers

and dance students. It showed that British dancers are between 5 per cent and 7 per cent less aerobically fit than their US and Russian counterparts. Some female classical dancers are only marginally fitter than untrained people in the street.

Ms Bull said Mr Eike had been shocked by her fitness levels. "Initially I was not as fit as Mick Jagger," she said, "but now at last, I might give him a run for his money."

Much of today's choreography is aerobic, but, the report reveals, dancers are unprepared for these new demands.

"There are people who say - 'we don't want to get into athletics, we don't want you to look like middle-distance runners', but the facts we're being asked to do are athletic," said Ms Bull. "We can't ask people to survive on art alone. It won't carry you through a demanding performance."

The research also showed that dancers' diets are not well-balanced. Ms Bull was, until recently, as guilty as the next dancer of entertaining for having "a rather special relationship with food". "Personally, I never had the will power to become

anorexic, but if I had done I might have been, because I was so desperate to achieve the shape whatever the cost," she said.

Now that she has undergone her nutritional "metamorphosis", Ms Bull is anxious to spread the word. But students at the Royal Ballet School are taken aback by her message. "Many of them thought, or had been told, to eat a lot of protein and avoid those 'nasty, fattening potatoes'," she explained.

Kenneth Thorpe, 36, who danced for the London Contemporary Dance Theatre,

added: "Often people take more care of their cars than their bodies. We're under daily pressure and unlike the annual MOT we have to make the grade night after night. It's heartbreaking to think of the number of dancers who are determined to achieve their roles whatever the cost and set off on a course of self-destruction."

Robert Cohan, the founder artistic director of London Contemporary Dance Theatre, admits that dance companies are at fault, too. "With the best will in the world, when you're working for an opening performance

and someone is injured you just don't want to know," he said. "I always used to feel coming back from tour with the London Contemporary Theatre was like Napoleon's return from Moscow. It was like coming back from a war campaign. How many injured? Could we get on stage?"

The inquiry revealed that 34 per cent of the contemporary dancers and 83 per cent of the ballet dancers and students had incurred an injury - predominantly muscular - in the previous 12 months. Of the injured professional dancers, 58 per

cent had taken days off work because of injury, compared to 83 per cent of the injured students. Half of the professional ballet dancers and 75 per cent of the contemporary dancers had paid for their own treatment, consulting mostly physiotherapists or osteopaths.

The Director Laureate of the Birmingham Royal Ballet, Sir Peter Wright, made a plea for Lottery funds. "To me it's the right of all dancers to have proper medical care and the best possible working conditions regardless of the wealth of the organisations they are employed by... I just hope that those who hold the national purse strings will read it *Fit to Dance?* too."

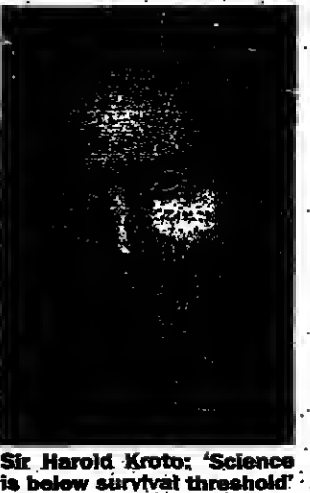
## Chemist gains a Nobel but loses his funding

CHARLES ARTHUR  
Science Editor

A British chemist yesterday learnt that he had won the highest prize in his profession, the Nobel Award, just hours after being turned down for government funding in the same subject that won him the prize.

Sir Harold Kroto, 57, of the University of Sussex, was awarded the £1m prize jointly with two American scientists for their discovery in 1985 of the structure of "buckminsterfullerene", a form of carbon composed of 60 atoms, which looks like a molecular soccer ball.

But hours before the news, he was told the Engineering and Physical Science Research Council (EPSRC) had turned down his department's request for £100,000 over the next three years to study the chemistry of the molecules, which could have important industrial applications. Sir Harold was delighted with the prize but downcast at funding cuts which led to the EPSRC rejection.



Sir Harold Kroto. "Science is below survival threshold"

work which led to the discovery of the buckminsterfullerenes in Britain. "I approached three major companies here and they said it was interesting, but it was the sort of work the Government should be funding."

Instead, he went to Canada and then to the US to perform the required work, with Robert Curl and Richard Smalley at the University of Houston. The molecules are formed when gaseous carbon condenses in an inert atmosphere. Mass spectrometry, which shows the relative weight and composition of an unknown molecule, offered the chemical formula of the new products, but, nothing about their structures.

The researchers then spent a night at Houston University trying to build a model of a 66-atom molecule composed only of carbon. Each carbon atom must attach to exactly four others, each equidistant.

An early attempt used jellybabes as the atoms and cocktail sticks as the bonds between them. Eventually, a junior

chemistry modelling set, with plastic "atoms" and "bonds" was found, whereupon they discovered that carbon-60 looks exactly like a soccer ball, with an interlocking combination of hexagons and pentagons.

The applications of buckminsterfullerenes, and other carbon forms with 80 or more molecules, could be wide-ranging. Japanese companies are trying to use them in night vision goggles, and they could even have uses in AIDS therapies.

Sir Harold said he intends to use his prize money to pay debts in a science film company that he helps to run.

The Nobel Prize for Physics went to three American scientists who discovered the "superfluid" property of helium at temperatures close to absolute zero. Douglas Osheroff, David Lee and Robert Richardson shared the award, which was described as "a breakthrough in low-temperature physics" by the citation committee. It could help to explain the "superstring" theories of the universe.

## Disgraceful verse tops poll

DAVID LISTER  
Arts News Editor

A lyrical homage to growing old disgracefully by the Gloucestershire poet Jenny Joseph is currently topping a poll to find the nation's favourite poem of the past half century.

The survey, conducted by BBC Television, closes at noon today. Last night Jenny Joseph's "Warning" was closely followed by Stevie Smith's "Not waving but drowning", with Dylan Thomas's "Do not go gentle into that good night" third.

Joseph, 64, is winner of the Forward Poetry Prize and "Warning" has been in a number of collections which have proved very popular. Never the less it is a surprise that a relatively little known poet should be holding prime position.

Her first book of poems was published in 1960 and immedi-

ately won an award, as did her second collection, and subsequent books. *The Times Literary Supplement* has described her best poems as revealing "a world living in the clutches of disappointment and mortality, but open to the possibility of intense delight in minute but dazzling particulars of nature and in rare acts of human kindness".

Ironically, despite the BBC's attempt to attract the young and widen the definition of poetry - including rock lyrics - the top three are all poems about growing old. The only pop lyric in the top 20 is

John Lennon's "Imagine". "Warning" begins: "When I am an old woman I shall wear purple / With a red hat which doesn't go, and doesn't suit me. / And I shall spend my pension / On brandy and summer gloves. / And satin sandals, and say we've no money for butter. / Last year Rudyard Kipling's 'If' won the BBC poll for the nation's favourite poem ever. This year the poll, aimed to coincide with National Poetry Day today, was limited to poems written in the last 50 years. Daisy Goodwin, producer of *The Nation's Favourite Poem*,

which will be broadcast tomorrow night, said: "It's striking that the leading contenders are all poems about middle age, growing old and dying."

There are not many love poems in the top 10. When people turn to poetry they turn to it for comfort. Love and sex and the fun things are dealt with by pop music, but the really awkward things, when you're looking for solace, remain the province of poetry."

Other poets, such as Larkin and Betjeman, have polled more votes than Joseph, but the votes have been split between different works. Other poets in the top 20 include Auden, Heaney, Ginsberg, Maya Angelou and Caroline Duffy. Sylvia Plath is at number 20 with "Daddy". Ted Hughes, who was married to her, is at 32 with "The thought-fox".

Daily Poem, page 11

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# Fashion's bumpy night of lumps and humps

TAMMIS BLANCHARD  
Paris

"The dress meets the body. The body meets the dress. And they are one," said the Comme Des Garçons spokesperson before the show in Paris on Tuesday night. We knew then to expect something challenging. The lights went down and with only the whirring of the camera motor drives for music, the first model walked out with a sheer black stretch top, a hump over her bottom and knitted pads shoved down the back of her top to make her look like a cross between Elephant Man, Quasimodo and the eccentric night-clubber, performance artist and Lucien Freud model, the late Leigh Bowery.

Rei Kawakubo, the label's designer, chooses to ignore the trends that dog most fashion designers. Instead, Kawakubo tries to push the boundaries of fashion forward and challenge the way people think. She does not stop at dresses and jackets. On Tuesday night, she redesigned the human body.

As the hand-selected members of press and buyers invited to the show stifled their giggles, model after model walked down the silent runway with their humps and lumps, strange tumours and growths. Brightly-coloured dresses wrapped around the body, gathered strange padding underneath. One looked like she was pregnant with a box constrictor which had just eaten a fully-grown sheep. Another skinny waif had the bottom of a fat woman bobbing along behind her. Kawakubo may be an artist and a sculptor, but it is difficult to understand who would buy this collection to wear.

Yesterday, at Chloé, just one of the many labels designed by the prolific Karl Lagerfeld, the theme was Eighties disco dolly. Photographers boomed at the end of the show after being bombarded by an endless stream of models pacing furiously around the catwalk. There were satin disco hip-huggers in pastel colours, signature frilly dresses, delicate fingerie and, for Kate Moss, a miniature Elvis suit in white with rhinestones. Lagerfeld is expected not to renew his contract with Chloé next season, leaving another key position at a Paris fashion house up for grabs.



Padding on the catwalk: Models wearing Rei Kawakubo's designs at the Comme Des Garçons show

Photographs: Ben Ewins

# Life for rapist who questioned his victim

PATRICIA WYNN DAVIES  
Legal Affairs Editor

The multiple rapist who sparked an outcry by subjecting his victim to an oppressive cross-examination in person was yesterday given two life sentences at the Old Bailey.

Ralston Edwards, who questioned Julia Mason for six days in court, was a danger to women and had shown no sign of remorse, Judge Ann Goddard said.

The sentences came the day after Michael Howard, the Home Secretary, told the Conservative Party conference: "No woman should ever be put through an ordeal like that."

Edwards, 42, who has previous convictions for rape and assault on women, was convicted of twice raping Ms Mason, who waived her right to anonymity and is campaigning for the law to be changed. During the inquisition, he made her relive in detail the 18 hours in which he raped and humiliated her. He wore the same clothes in court as when he attacked her.

"It was like being raped all over again," she said afterwards. "At least when a barrister is asking the questions, he is doing it in to get to the truth. When a rapist is asking the questions, he knows what he has done and is furthering the act."

To male politicians, I would ask them to change the law with regard to rape swiftly. May this never happen again.

Ms Mason's boyfriend, Bill Powers, and a Victim Support representative, Maureen Tubby, said after the verdict: "From day one, Julia wanted the law changed. Hopefully that will now happen speedily."

The case did indeed draw a rapid political response. After the conviction in August, a Home Office spokesman said: "The Government is concerned to ensure that victims of these heinous crimes are adequately protected and we will be giving further consideration to the issues raised by this case."

The 1988 Criminal Justice Act introduced a ban on a defendant questioning a child witness in person in cases of sexual

offences and cruelty. The Home Office is now reviewing options for extending the same principle to protect rape victims.

It emerged after his trial that Edwards, of Catford, south-east London, had a previous conviction for raping a woman after getting into her flat. She was forced to have intercourse with him, fearing her 16-month-old child would be harmed.

He had also served jail sentences for violent assaults on women, including his wife who he once beat over eight hours with sticks and flex. Medical reports showed an suggestion of mental illness.



Julia Mason: 'It was like being raped all over again'

Cases involving unrepresented defendants put judges under additional pressure when trying to balance the duty to ensure a fair trial with the need to ensure witnesses are not subjected to oppressive questioning. Judge Goddard gave Edwards a warning during the trial not to question his victim again and again about the same incident.

The judge told Edwards yesterday that he had "highlighted" Ms Mason's life. "You have not shown the slightest sign of remorse, but I make it clear I do not add one day in your sentence because you contested the charges or defended yourself."

"I have had an opportunity of seeing and hearing you over a number of days. You see things only from your point of view. If you want to inflict harm on a woman you will, and you do not consider your victims at all."

Aaronovitch seeks great ovation with the Tory ladies. Page 7

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**The currency battle:** Opponents of Emu seized on a hint by Rifkind that a fudge by France and Germany could keep Britain out



Grand parade: The former Conservative Prime Minister Sir Edward Heath arriving for the debate on Europe yesterday Photograph: David Rose

## Heath returns fire against Euro-sceptics

COLIN BROWN  
Chief Political Correspondent

Tory Euro-sceptics yesterday showed no let-up at fringe meetings in their demands for entry to a single currency to be ruled out, despite John Major's appeal for unity.

They in turn came under attack from Sir Edward Heath, the former Prime Minister, who said there would be no change of government policy, and the Euro-sceptics would continue to cause trouble until the election. "They can't possibly change that, so the divisions with these people will remain."

His warning exposed the

temporary nature of the unity on Europe shown between Mr Major and Baroness Thatcher 24 hours earlier.

Euro-sceptics heckled Sir Leon Brittan, the European Commissioner, one of the few voices on the Tory fringe calling for Britain to preserve its right to enter a single currency. He warned the Euro-sceptics that unless they united behind Mr Major, "we are dooming ourselves to defeat."

But the Euro-sceptics' anger could be subdued by the emergence of what they believe is a workable compromise.

They focused on a section of Malcolm Rifkind's speech which they claimed had opened the way for entry into a single currency to be ruled out early next year, despite Mr Major's protestations that there would be no change in policy.

The Foreign Secretary reinforced assurances by the Prime Minister that the Government will not join a single European currency if there is a "fudge" over the convergence criteria. "We need to ensure that the economic convergence criteria are not fudged because it would cause economic instability across Europe," he said.

John Redwood, the former minister campaigning against the single currency, said: "It marks an important new development for our European currency policy. The British Government now has an opinion - that pushing monetary union would be damaging. The only currency union on offer is a fudged one. We can all agree on that."

Another leading Euro-sceptic, Norman Lamont, the former Chancellor, told a fringe meeting: "There is no prospect of a Conservative government joining a single currency in the first wave. That is apparent to anyone at this conference."

The Euro-sceptics believe Germany and France will fudge the criteria requiring national debt to be reduced, enabling the Government to reject the single currency before the election.

The Cabinet has already made the decision, one MP said. "It's just a question of timing. It won't happen before the Dublin summit in December."

Mr Rifkind's carefully crafted speech won one of the longest standing ovations of the conference and enhanced his long-term chances for the leadership. He skillfully appealed for unity behind the policy preserving Britain's right to opt in or out of a single currency with a referendum.

But in a clever balancing act, the Foreign Secretary showed his sympathies with the Euro-sceptics. A single currency may never happen, he said. British interests would be seriously damaged by taking premature decisions but he assured the Euro-sceptics: "Be patient. Neither the national interest nor the party interest require us to ride roughshod over views deeply and sincerely held."

Peter Lilley, Secretary of State for Social Security, called for unity on Europe. "I am sick and tired of Conservatives who fuel the media by sniping at their colleagues," he said.

## Minister's six claims fail the factual audit

JOHN RENTOUL  
Political Correspondent

Apart from a promise to curb the right to strike in "monopoly" public services, Ian Lang, President of the Board of Trade, made six important claims about Britain's economic record in his speech to the Conservative conference.

He declared: "Let's together resolve today, all of us, to confront our opponents with the truth. Let's all fight them with the facts." We have subjected his claims to a factual audit.

Claim: Mr Lang cited the case of Olivier Cadie, a Frenchman who "moved his entire printing company from Paris to Kent just to get away from the Social Chapter".

Fact: Mr Cadie's company, Info-Elec, is moving 15 of his 25 staff from France to Ashford in Kent, as reported exclusively in *The Independent* last month. But the move is nothing to do with the Social Chapter. He made it clear it was because wages and payroll taxes are lower in Britain.

Claim: "Britain is exporting more goods and services abroad today than at any time in our entire history."

Fact: Assuming steady growth, it would be surprising if this were not the case. Britain's share of world trade is its lowest ever - which is also unsurprising, given the expansion of the developing countries.

Claim: "Unemployment in this country has fallen further and

faster and for longer under us than at any time in the last 50 years."

Fact: This partly reflects the fact that it had further to fall after exceeding 3m in the early 1980s, the highest for 50 years. Claim: "We have more of our people in work in this country than in any other major country in Europe."

Fact: People in Britain start work younger and retire later than their Continental counterparts. And for historical reasons more women tend to have paid work in Britain than in other European countries. Claim: "Britain's growth in productivity has taken us from the bottom of the G7 group of nations to the top."

Fact: There has been a dramatic improvement in productivity in manufacturing, although the rankings depend on choice of dates. The Department of Trade and Industry cited OECD figures for 1980-95, but said Britain was second from bottom in 1973-79. The figures do not apply to service industries, where improvements have been less impressive.

Claim: "More foreign companies have chosen to come here to invest in the past 10 years than to any other country in Europe - over £100bn-worth."

Fact: Inward investment per head of population is four times higher in Belgium. Labour points out that Britain also has the highest "outward investment", capital exports, of any country in the EU.

## London Tube next in line for sell-off

STEPHEN GOODWIN and FRANK ABRAMS

London Underground is a prime target for privatisation if the Conservatives are returned to power. John Major told the party conference he would like to see the Tube follow British Rail into the private sector.

The Prime Minister reasserted his determination to continue the privatisation crusade during a question-and-answer session with Tory representatives.

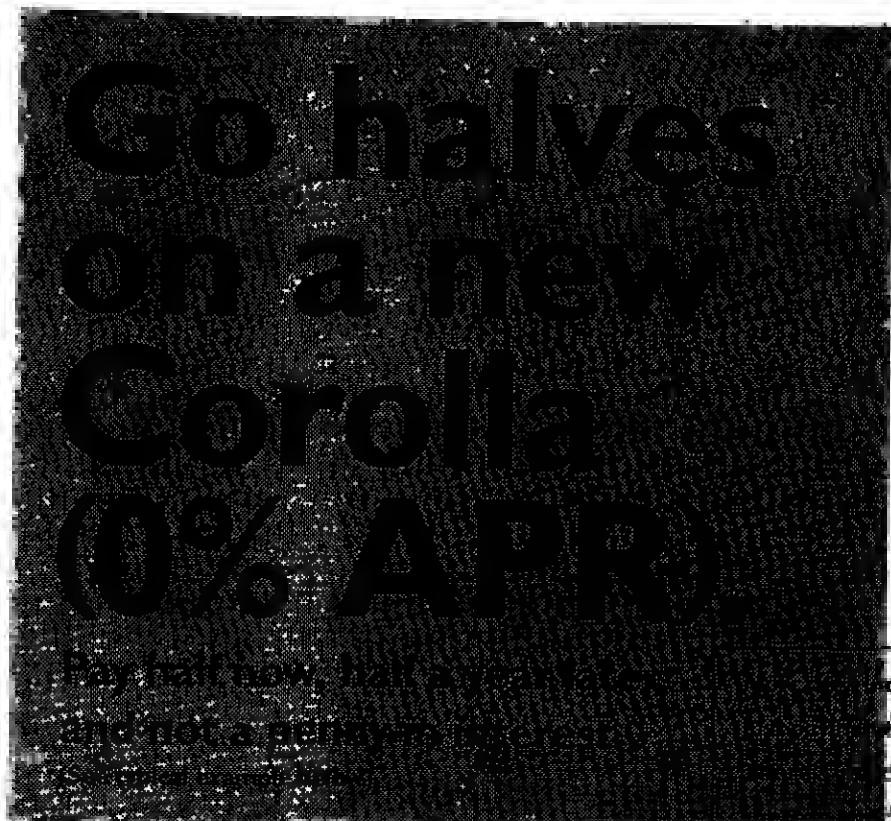
Within a few days, 50 per cent of British Rail would be in private hands, he told the first questioner. Noting that not long ago opinion formers, even within the Tory party, were describing it as "a privatisation too far" he said the service was already getting better. It was going to be more trains.

"I would like to see if we can apply these principles to London Underground," Mr Major said. Concern over this summer's strikes on the Tube had already been voiced during a debate on industrial relations.

"It's a remarkable sea change in the last 16 or 17 years," he said. "We should never lose faith in our instinctive belief that private ownership is the best option and should be the first option."

Sir George Young, the Secretary of State for Transport, said a pilot scheme in London in which car tax dodgers had their vehicles clamped had recovered £2m from evaders.

Fifty-eight per cent of the cars clamped had been scrapped because they were not claimed, he said. He added that the Government would soon announce plans to expand the scheme.



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# Lilley offers hand to lone parents

COLIN BROWN  
Chief Political Correspondent

A scheme to help 100,000 lone parents escape the benefit trap was announced by Peter Lilley, the Social Security Secretary, in a move to ease the impression that the Tories are intent on attacking single mothers.

The announcement marked a softening of rhetoric for ministers who have accused lone parents of jumping the council-house waiting-list by getting pregnant. Mr Lilley said all the evidence suggested lone parents

wanted to work but needed help to get back into the labour market. Twelve areas will be selected for pilot schemes due to start in April and costing £20m.

Lone parents who volunteer for work will be assisted by case-workers to assess any barriers to jobs and to devise a plan to get them into employment. In some areas, lone parents will be eligible for help with childcare expenses.

Private firms will be invited to supply the help to lone parents in four areas drawn from North Hampshire, Preston,

Warral, Northants, Buckinghamshire, Wiltshire, Blackburn, Hackney, Central Manchester and Bradford. The companies will be paid according to results.

The scheme, called Parent Plus, will be operated by social-security or employment offices in Warwickshire, Cambridgeshire, North Worcestershire, Motherwell, North Surrey, North Cheshire, Cardiff and Vale, and Sheffield East.

Mr Lilley also confirmed a Fraud Bill to be introduced in the Queen's Speech next month to enable inspectors to cross-

check income-tax returns, VAT returns, and benefit claims to stop welfare cheats.

The powers would be targeted at specific fraud and would not allow the disclosure of confidential tax information for general fishing expeditions by fraud inspectors, Mr Lilley said. He left the announcement of the Bill out of his speech for lack of time. "The word-counter said I was within my budget, but I was 76 words over," he said later.

"We ought to be able to cross-check this information to

find fraudsters who are working and claiming benefit but unintended barriers prevent us. That's absurd," added Mr Lilley. A Compensation Recovery Bill will also be introduced to force employers to foot the bill for accidents at work.

Mr Lilley has been the Tory Party conference darling in past years but the ovation for his speech appeared more restrained than before. He faced a demand from a councillor for more action to help the elderly avoid having to sell their homes to qualify for means-test-

ed long-term care. Mr Lilley did not reply to an appeal by Jean Burnham, who cited the case of a 79-year-old widow who had to sell her home in order to pay for care after contracting Alzheimer's disease.

Supporters like her will be disappointed that the Government is delaying until after the election the implementation of legislation promised by John Major to tackle the problem. A draft bill will propose a capital disregard for those who have taken out insurance schemes to pay for their long-term care.

## Ladies who give great ovation



DAVID AARONOVITCH

Tory ladies give great ovations. So even the most mundane sentiment uttered by the most no-descript speaker will be met by polite, female applause. Should slighting mention be made of Brussels, or Eurocrats, then there is a more enthusiastic dose of clapping.

This is nothing to what happens though when one of the party big-wigs completes an oration. Then - always - the ovation is standing. As a result it is impossible to tell if a speech has been genuinely well received, or merely a ritual appreciation is being recorded. But, dear readers, quite accidentally yesterday, I discovered the Aaronovitch patent ovation-cathusiasm index, and it came about like this.

As the first Secretary of State of the day completed his "we can win, we will win", (I can't remember who it was; after a while it all tends to blend to one interminable piece of nervous triumphalism), the nice elderly lady next to me rose to applaud. The loss of weight on her



In the news: Party members follow John Major's lead of informality and enjoy a relaxed moment yesterday

Photograph: David Rose

spring-loaded chair caused it to rise just as she did, trapping her voluminous skirt behind.

As I looked along the lengthy row of seating, stretching right the way across the conference hall, I saw at least five other skirts similarly snagged, five sets of white calves similarly exposed. Being for the most part elderly, and having passed the age for thigh-bugging, slinky numbers, their long skirts were proving something of an encumbrance. Intrigued, I kept an eye on the skirts throughout the day. And what I realised was that the more the ladies liked the speech, the more impetuously they rose to their feet, and the more likely the skirts were

to become lodged in their chairs. *Alors*, a foolproof diagnostic tool.

Thus Ian Lang's ponderous announcement of a clampdown on the few remaining rights enjoyed by trade unionists in this country, rated five skirts. Malcolm Rifkind's well-delivered and intellectually shallow speech (on how everyone in the world wishes they were British) did much better, earning over

a dozen exposed pairs of ankles. The best, however, was yet to come.

Late in the morning, the small army of grandees and payroll functionaries were cleared off the set, and the implausible party chairman, Brian Mawhinney, appeared. John Major, he announced, was going to answer impromptu questions from delegates. And on he came. There, in the speaking circle, was a mi-

crophone, a Prime Minister and a Mawhinney. It was a bravura performance. As Mr Major roamed the circle from side to side, fielding a selection of questions (some of them genuinely difficult), Mr Mawhinney circled cautiously behind him, like a lion-tamer in the ring with a usually affable, but eccentric beast.

Then, to enhance the impression of informality, Mr Major took his jacket off, so Mr Mawhinney shed his. But you can never really trust the judgment of the MP from Peterborough: when he began to remove his cufflinks there was an air of apprehension around the hall. What next? Ties?

Shoes? Vests? We were spared, of course, though the sight of these two jacketless, middle-aged men roaming a small area, fielding a succession of deliveries, put me in mind of a game of beach volleyball as it would be organised by Mary Whitehouse.

The faithful adored it. When the PM finished they arose. And as they did so, hundreds of yards of fabric became caught throughout the hall. Once again I looked down the row, and counted an astonishing 50 skirts, and a pair of plus-fours, now firmly ensnagged in the seats behind.

Fifty skirts, Prime Minister. They must love you.

## FRIDAY AT THE

### MAIN ANNOUNCEMENTS

Extending the right to strike in essential public services  
Pushing BSE to allow cross-checking of tax, VAT and benefit records  
Get 100,000 lone parents off welfare  
Bill to save the taxpayer £40m in compensation for accidents at work

### QUOTES OF THE DAY

"I wake up every day and I think, 'I'm a Tory'." Ian Lang, President of the Conservative Party

"I've got a bottle of gin for the conference." Michael Portillo, Conservative MP

"The Conservatives do actually find it hard to find a decent car." Paul Gray, Preston

"Margaret Thatcher... she only scraped on to Labour. Executive thanks to their assisted programmes for less able women." Peter Lilley

"Clare Short... She paid the price for being a woman on weekends and on television." Sir David Gifford

"We (Conservatives) were not set up to think we were not set up to write. We were set up to write." Michael Portillo, fringe meeting

"This is a speech which will get no coverage on television news... Because it is too good to be on TV." John Gummer

### GOOD DAY, BAD DAY, DEVIL OF THE DAY



John Major broke new ground with an hour confidently fielding questions



John Gummer obliged to deliver the most arduous speech of the day. Not even a token announcement



The press - including even those usually so useful for being so much to be trumped - achieved what for its cynicism

### THE CROWD-PULLERS ON THE FRINGE



Norman Lamont, more Europhobic 500 people  
Michael Portillo, Conservative MP  
220 people but many disappointed by the Defence Secretary's caution and loyalty  
Sir Teddy Taylor versus Quentin Davies, on the single currency, 200  
Gillian Shepherd on tightening discipline in schools, 100 plus

### CHOREOGRAPHY OF THE DAY

John Major and Brian Mawhinney self-consciously removing their jackets during the Q&A session

### THE PARTY TO BE SEEN AT



ITN, drinks at the Highcliff, British Airways, champagne at the Royal Bath, Irish Embassy 'stout party' in the conference centre, Connex Rail Ltd, champagne and croissants at the Highcliff

### RAPTUREMETER



Malcolm Rifkind	3 min 5 sec
Foreign Secretary	88 decibels
Ian Lang	1 min 15 sec
Industry	90 decibels
John Major	42 sec
(question time)	98 decibels
John Gummer	22 sec
Environment	86 decibels
Sir George Young	20 sec
Transport	86 decibels

### TODAY'S BUSINESS

National Heritage (Virginia Bottomley), Defence (Michael Portillo), Economy (Kenneth Clarke), Education and employment (Gillian Shepherd), address by Michael Hasehtine, deputy prime minister. Compiled by STEPHEN GOODWIN

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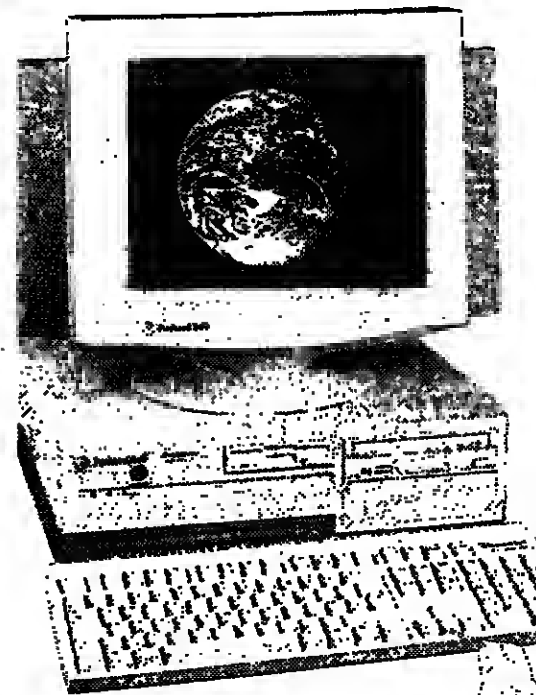
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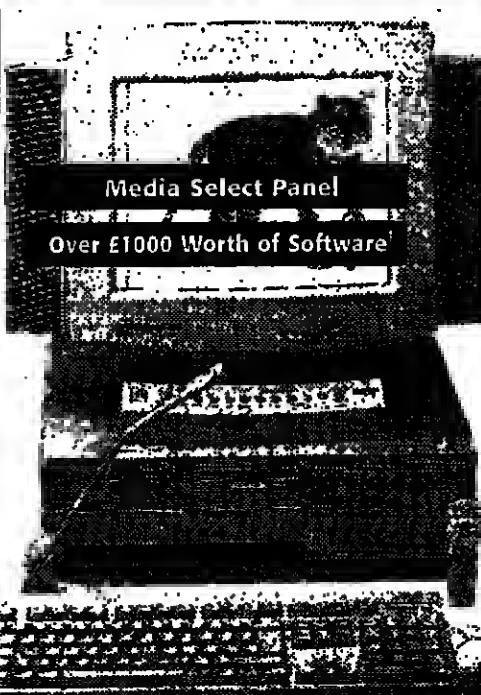
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# Lang bid to curb monopoly-service strikes

JOHN RENTOUL and  
BARRIE CLEMENT

Plans to restrict strikes in monopoly public services were announced yesterday by Ian Lang, President of the Board of Trade.

He told the conference that this summer's stoppages in the railways, London Underground and the Post Office had convinced him to act on a long-standing but unfulfilled Tory aim.

The strikes were "completely unacceptable" and his plans would allow unions to be sued for damages if they organised strikes which were "disproportionately damaging to the public".

Sources close to Mr Lang said the legislation would not necessarily be restricted to publicly owned services.

The need to take reforms of trade-union law "one step further" was justified by conjuring up the spectre of the Winter of Discontent in this summer's "reprise, like a bad dream, of those old, ugly attitudes".

Those attitudes had been eradicated in most industries by Tory legislation. "It's in the few remaining monopolies, in the

public sector and providing public services, that the virus survives."

Mr Lang promised to publish a "package of new proposals" when the Commons resumes next week, but gave no details of how the plan would work in practice or when it might become law. It is possible it might form part of the Tories' general-election manifesto.

In interviews before and after his speech Mr Lang said the plans would apply to public services which had a monopoly, but that would not necessarily include railway services where there was, for example, an alternative bus service.

His senior advisers said the Government might allow civil courts to decide whether any industrial action was "disproportionately damaging". Ministers, however, could issue a code of practice to guide courts of law. The intention was not to make industrial action impossible, but to limit its impact. Any union leading a strike which caused the complete withdrawal of a monopoly service could be liable to legal action by the employer, or by customers.

Mr Lang's proposals could serve to minimise any splits within the Labour Party. Unions tempted publicly to criticise Tony Blair in the run-up to the election will keep their own counsel when they contemplate the alternative.

The plans, however, may also mean that Labour's present review of industrial action in the public services could also yield tough proposals to compete with the Conservatives.

Mr Lang's plans were attacked by David Blunkett, Labour's education and employment spokesman, as neither new nor workable. Mr Blunkett last month irritated TUC unions with a set of pre-emptive proposals for more use of binding arbitration and for forcing new offers to be put to ballots of union members. The TUC and unions said the plans, if effective, would leave public-sector workers "defenceless".

Rodney Boscawell, general secretary of Unison, the country's largest union, said the best way of averting industrial action was to treat workers decently, pay a proper wage and ensure services were properly funded.



Nursing a grievance: A day of action at a London hospital. Mr Lang's plans would allow unions to be sued for damages. Photograph: Jeremy Nichol

## Tory plan could end stoppages in public sector

If Ian Lang is to be taken seriously, the Government is considering the introduction of a law which could weaken trade unionism more than any legislation introduced since the Conservatives came to power in 1979.

By selectively removing immunities from unions engaged in strikes in monopoly services, the Government could make industrial action virtually impossible among millions of employees and would set back the collective rights of workers by a century.

But is Mr Lang to be taken seriously? How far is he prepared to go? Whitehall officials have indicated privately that the President of the Board of Trade is simply indulging in pre-election populism. The suggestion may well appear in the Conservative Manifesto, but civil servants argue that the legal difficulties are such that it is highly unlikely to see the legislative light of day.

There is always the possibility, however, that Mr Lang is in earnest. His senior advisers insist that he is.

Under the proposals, presumably, the Communication Workers' Union could have been sued by the Royal Mail which lost business through the present postal dispute. The union could also have been taken to court by other companies and individuals who could prove a material loss as

Union proposals are toughest for years, writes  
**Barrie Clement**

a consequence of the 24-hour stoppages. Both the rail unions - Aslef and RMT - may have been liable to legal action for damages incurred through the London Underground stoppages. The RMT could have been sued for recent "overground" walkouts.

Ministers would have to decide which services came within the scope of the act. Mr Lang's advisers are keen to ensure the law covers any monopoly service. Sources close to Mr Lang argue that limited industrial action might not fall foul of the law, but the shutdown, of, say BT, would probably fall within the scope of the act.

Removal of immunities could backfire. If bona fide unions found it difficult or impossible to lead strikes, workers might be tempted to form their own informal groups to organise industrial action. If such groups had no assets, then individuals would be the subject of litigation, leading to the seizure of personal property. Do the Conservatives really want to go to those lengths?

Even Mrs Thatcher was finally convinced that removing immunities was not a practical proposition.



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# Good times roll as Britons spend on fun

Statistics show the rise of a leisure society. Glenda Cooper reports

The days of the workaholic are over. The British are turning into a leisure society, spending nearly as much on enjoying themselves each week as they do on food.

Average family spending on leisure (which includes going to the cinema and theatre, sports and hobbies) has risen to £45.80 per week, just behind the two necessities of food (£52.90) and housing (£48.20). As a percentage of weekly expenditure, food has dropped from nearly one-third in the 1960s to around one-sixth today. This can partly be explained by cheaper staple foods and higher incomes.

The annual Family Expenditure Survey, carried out by the Office for National Statistics, is a snapshot of how we spend our money today. It found this year that on average a household spends £290 per week, a rise of 2 per cent on last year despite income rising 3.2 per cent.

Among the wealthiest this rises to £623, while the poorest can afford only £87.80. Incomes vary between £875 per week for the top 20 per cent and £83.60 for the poorest 20 per cent.

Between 1965 and 1995-96, weekly income from wages and salaries declined from 76 per cent to 64 per cent of total income. The report's editor, John King, said this was due to the population ageing and receiving most of its income from pensions.

Leisure has now become an important part of the British lifestyle despite a recent report from the European Commission which found that we work the most hours in Europe. On average we spent 90p a week on cinema admissions, £2.69 on television and satellite rental and £1.93 on sports admissions and subscriptions.

Gambling payments were up more than £1 from £2.51 to £3.81 as the National Lottery maintains its grip on the nation's wallets, rising by 13 per cent since last year. Officials from the Office for National Statistics think the amount may be much



higher when scratchcards are taken into account. Mr King said he believed it reflected only 20 per cent of the cash spent on cards. At the same time, as charities have feared, cash donations were down 35p per week.

Spending on televisions, videos and computers was up slightly, as it was on camcorders, cameras and camping equipment. Holidays, both at home and abroad, also ate up more money than last year.

The popularity of eating out and snack meals continued to grow, up to £10.39 per week on average from £9.81 last year. Eating out was most popular in London and the South-east while Northerners spent least. Expenditure on take-away meals eaten at home was highest in Northern Ireland but well below the UK average in Wales, East Anglia and the South-west.

The success of supermarkets was reflected in figures showing the struggles of the butcher, the baker, greengrocer and fishmonger. Two-thirds of bread is bought at supermarkets, on which shoppers also rely as the main supplier of their fish. Only a quarter of vegetables sold comes from local shops.

However, the survey may indicate the survival of the milkman. Families spend 98p a week on milk from supermarkets, and £1.48 on buying milk from other stores.

One of the largest expenses for any household continues to be transport.

The FES discovered that a family with one car spends just under £40 a week and this nearly doubled if they were a

two-car household. The main component of running costs was fuel and oil. Secondhand cars remain most popular, with more than three times as many families buying used rather than new.

What people choose to spend their money on threw up intriguing regional variations. The level of spending varied from £258 in the North to £327 in Greater London. While Londoners have to fork out £61.40

per week for housing, their equivalents in Northern Ireland are spending only an average £27.50.

Living up to stereotypes, the South-east spent most on wines, Scotland spent the most on

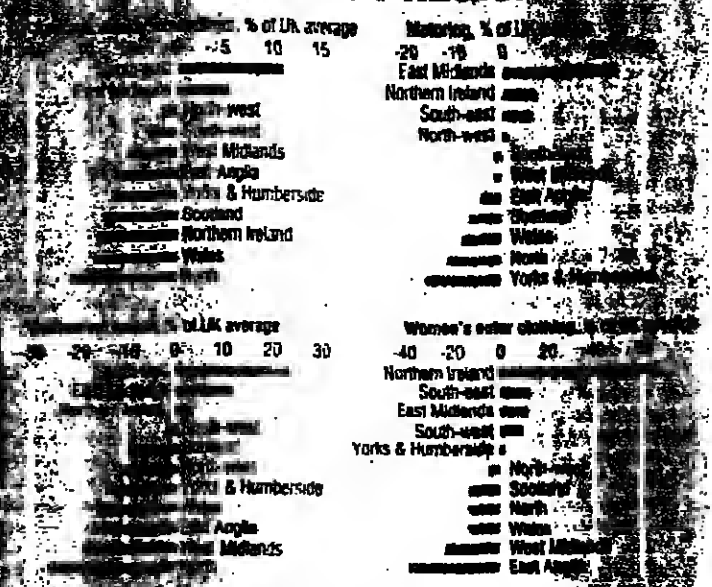
spirits and liqueurs and the North-west spent the most on beer and cider. Spending on tea was close to 50p in all regions.

And one health message appears to have got through. Tobacco is one area which has

consistently fallen since 1960. In 1960 it accounted for 5.9 per cent; now it has more than halved to 2 per cent.

Family Spending, Stationery Office, available from bookshops priced £35.95.

## SPENDING BY REGION



## Who spends what and where

■ Northern Ireland  
 £8,100 a week  
 ■ Yorkshire and the Humber  
 average weekly  
 number of households  
 ■ East Angles  
 £1.70 a week  
 ■ South-east  
 ■ Greater London  
 in Britain  
 ■ South-west  
 drinks in pubs  
 ■ East Midlands  
 £540  
 ■ Wales  
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## international

# Power of US military in league of its own

America's military hegemony remains unchallenged despite heavy budget cuts, the International Institute for Strategic Studies said in its annual report yesterday.

"Despite major reductions, the United States still possesses the most powerful conventional and nuclear armed forces in the world," it says in *The Military Balance 1996-97*. The US is also by far the world's largest arms producer, dominating the defence market.

In the last year alone, the institute points out, the US has provided 20,000 troops to the peace implementation force in Bosnia, deployed two carrier battle groups to the waters off Taiwan to ease tensions between China and Taiwan, and launched new raids on Iraq.

The US has scaled down its forces, cutting from 18 army divisions to 10, and from 25 Air Force tactical wings to 13. The number of personnel on active

Position as world leader undented by cuts. **Andrew Marshall reports**

duty is to reduce from 2 million to 1.5 million. But the sheer size of what remains, combined with continuing investment in high-tech weaponry which gives it a technological edge, keep America superior.

The Department of Defense is planning to enhance its capability in advanced munitions, battlefield surveillance, strategic mobility and the readiness of reserve forces," the institute says. "Numerous improvements to command, control, communications, computers and intelligence for naval, land and air forces will be implemented," said the report.

Washington has committed itself to keeping around 100,000 troops in Europe, and about the same in East Asia and the Pacific, as well as deployments of

pre-positioned equipment in the Middle East and the Indian Ocean. America's policy is to maintain the capability to engage in two simultaneous major regional conflicts.

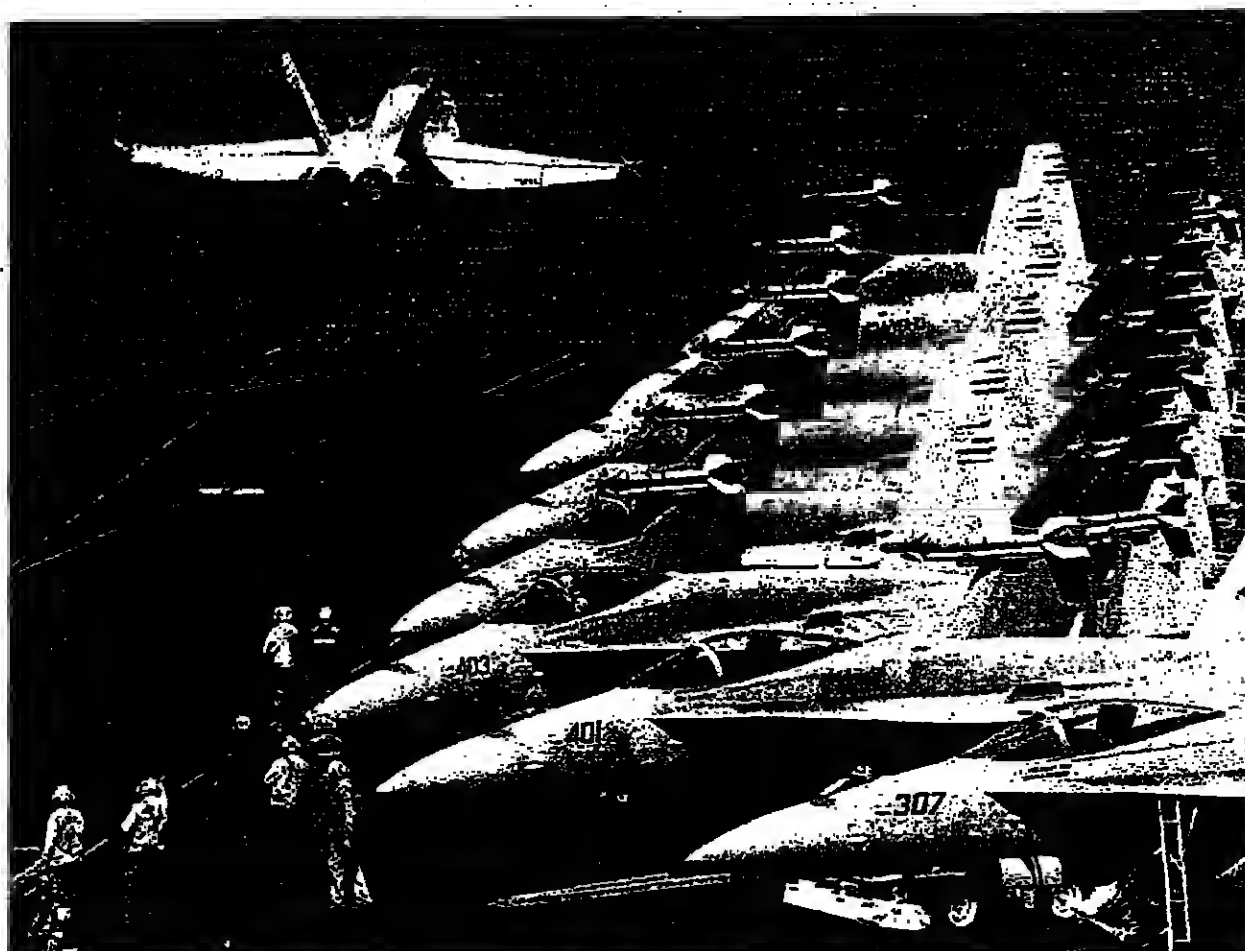
The US also dominates the arms market. World arms sales in 1995 rose by 15 per cent to \$30.2bn (£19bn) because of increased demand from the Middle East and East Asia, the institute estimates. The US accounted for \$13.3bn, or 44 per cent of the total. Russia almost doubled its total to \$3bn, but was still in second place.

Russia is, the report makes clear, not in the same league as the United States any more. "The decline in capability in all departments of the Russian armed forces seems set to con-

tinue," the institute concludes. Since 1992, military spending has fallen by about 45 per cent, though Moscow still tries to keep up pretensions of a global role.

The Russians are making a great effort to keep themselves out there, so to speak, on the world stage in certain key areas," the institute's deputy director Rose Gottmoeller told a press conference. However, she discounted claims from the Russian military that poverty was pushing the military towards mutiny. "It's an extremely serious problem, but there are no signs that troops will drive into the Kremlin in tanks," she said.

In Europe, aspirations to a defence and security identity that is not dominated by the US are not matched by resources, the report notes. "There is a mismatch between the call for a stronger European pillar in the Alliance and the provision of military capabilities."



Almighty America: An F18 Hornet taking off from the USS Carl Vinson during recent manoeuvres in the Gulf

## Israel playing with fire, King Hussein warns

PATRICK COCKBURN  
Jerusalem

Suddenly King Hussein, the one Arab leader who seemed prepared to do business with Benjamin Netanyahu, is distancing himself from the Israeli Prime Minister.

In an interview with an Arabic newspaper this week, he said that if Mr Netanyahu did not make peace with the Palestinians, anything could happen, "including a revival of 1991, when Netanyahu wore his gas mask on television".

King Hussein's sudden belatedness and suggestion of a return to the days of the Gulf war is a nasty surprise for Israelis. The peace treaty signed with Jordan in 1994 was universally popular in Israel, if not in Jordan. Among Arab leaders the King was the least critical of Mr Netanyahu when he won the election in May.

Now, in an interview with the daily *Ashraq al-Awsat*, King Hussein has asked whether Israel wants to return to a fortress mentality and an arrogant feeling of power. "I just hope that he [Netanyahu] realises that he

has to deal with Arafat and the Palestinians as equal partners," he said. "Those with limited perspectives" - presumably a reference to Mr Netanyahu - were putting the peace process into reverse.

King Hussein also complained that, although he had had a meeting with Dr Dore Gold, Mr Netanyahu's special envoy, just before the tunnel under the Muslim quarter in Jerusalem was opened, he was not told about it. Jordan has complained that the opening of the tunnel breaks the 1994 peace treaty, which gives Jordan a special place in protecting the Muslim holy places of Jerusalem.

Israel, too, appears to be alarmed by the change in relations between the two nations. "Israeli officials believe the sharp deterioration in the tight relations with Jordan is the most worrying aspect of Israel's relations with the Arab world," Israeli army radio said.

"The peace with Jordan is in a state of crisis - not just more tension, but a collapse of the entire fabric of trust, dialogue and discrete contacts between the two states."

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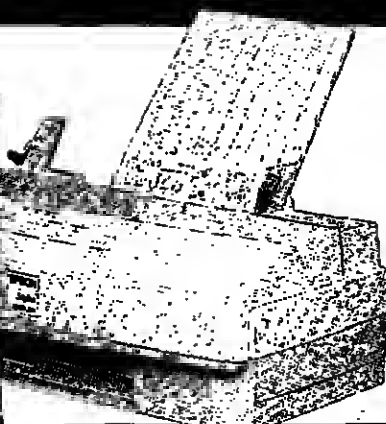


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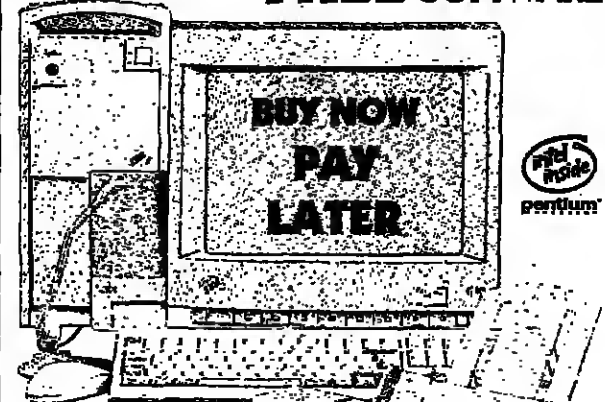
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THE INDEPENDENT



# Scientologists defend the faith in court

MARY DEJEVSKY, Paris

Shortly after 5am on 24 March 1988, Patrice Vic, a married man aged 31 with two children, threw himself off the balcony of the family's 12th floor flat in Lyon, saying that there was "no other way".

More than eight years later, and after the slow turning of a great many judicial wheels, his suicide is at the centre of a court case in which a clutch of former leaders of the Church of Scientology in France find themselves accused of "involuntary manslaughter and fraud".

The crux of the case, which has just ended with judgment reserved until next month, is whether a direct link can be proved between Vic's death

and the actions of certain members of the local Scientology church. Across France, however, the seven-day trial in Lyon has been seen as a trial of the Church of Scientology itself, the verdict being bound to affect the workings of the church here.

Chief among 23 defendants is the former head of the Lyon branch of the Church, Jean-Jacques Mazier. There is also a Catholic priest, and several individuals accused of practising medicine illegally — mostly psychiatric treatment.

In the run-up to the trial, there were reports of threats made against the judge and witnesses. Two Scientologists were convicted of threatening a psychiatrist, Jean-Marie Abgrall, who had been called as an expert witness in the Lyon trial.

The fact that the case was brought at all was due to Vic's widow, Nelly, who began by instituting civil proceedings, with the support of a sympathetic investigating judge, Georges Fenech. "One day," she told the court, "we received a brochure

Mazier persisted: "If it is a question of money," he allegedly responded, "you can get a loan." That evening, her husband demanded to see her psychiatrist. She refused. At 5am the next morning, after a sleepless night, he got up, saying:

brought about by progressive indoctrination, destabilising his mind along new lines". This view was opposed by a number of sociologists who argued that Scientology was "a religion", and supported by certain

specific charges brought, but that the trial itself was a perversion of the judicial system. In being asked to judge the Church of Scientology, one of the defence lawyers argued, as the case wound up on Tuesday, "the court is being asked to do the government's work for it and perform what is essentially a social and preventative function."

That is wrong. Another for the defence argued: "The problem of sects exists, and it should be discussed. That can be done on television and in parliament, but at the Lyon court, we have to separate individual responsibilities. The questions are simple: does administering a personality test amount to fraud? Can a consultation be... illegal?"

There can be little doubt that guilty verdicts would please at least one section of French officialdom. The authorities have been highly sensitive to the activities of sects in France for several years, but their concern was dramatically heightened last December by the mass suicide in the French Alps of 16 members of the Order of the Solar Temple.

A parliamentary commission on sects in France which reported last spring was shocked to find that there were 173 sects operating in France and that the Church of Scientology was one of the largest. The prime recommendation of its report was for a legal distinction to be drawn between "religious movements" and "cults", and for the law to be applied with more alacrity against cults suspected of abusing children, exerting pressure on individuals, or misusing funds.

However, this report also recognised the difficulty of distinguishing between such categories and of legislating where intervention could be interpreted as a violation of religious and other freedoms. No draft law has yet been tabled. The judgement in the Lyon case is due on 22 November. A "guilty" verdict would give an extra push to the process of framing a law on sects. It could also mean that the Church of Scientology would find its activities in France more closely watched. But the depth of French intellectual sympathy for individual freedom of belief will ensure that future cases will be just as keenly argued.

**'We are being asked to do government work and perform what is a social and preventative function'**

Out of curiosity, my husband decided to give it a try... it turned into harassment... and that caused tension between us."

Later, with her husband, she met Mr Mazier who offered a "purification" cure for 30,000 francs. She refused it, saying it was "pure madness", but Mr

"Don't stop me: it's the only way", and made for the balcony. "And that was it," she said.

Her evidence was supported by the psychiatrist, Mr Abgrall, who describes Scientology — which was founded in 1954 by the American, Ron Hubbard — as, "mental manipulation

French commentators who warned that if the defendants were convicted just for being Scientologists, it would jeopardise freedom of thought, speech and religion — all that France holds dear. The defence counsel insisted not only that their clients were innocent of the spe-

## Madeira's rebel priests choose politics to beat inequality

JAVIER GARCIA, El Pais

Funchal—A socialist, two communists and three left-wing priests have galvanised the campaign for Sunday's regional elections in the Portuguese island of Madeira, a field of the conservative Social Democratic Party since the Carnation Revolution of 1974.

The revolutionary priests have decided to combat what they call "the inequalities and abuses" perpetrated by the regional president, Alberto João Jardim, during 18 years in power in "clear cohabitation with the church hierarchy" on the island, which is 1,000km south-west of Lisbon.

The candidacies have prompted confrontation among the island's parish priests and aroused the fury of the Bishop of Funchal, Teodoro de Faria, who has warned that "conscious Christians must not vote for them". The rebel priests, however, are aiming to erode an absolute majority that they believe has caused enormous injustice.

Their strategy is to inform people of the serious problems:

unemployment, illiteracy and rural poverty. The first "black sheep in God's fold" — to use the Bishop's expression — is Fr Edgar Silva, 33, who heads the regional assembly list for the CDU Communist coalition. An advocate of "liberation theology" and founder of an international Catholic aid movement for street children, Padre Silva fights against what he calls the *democratism*.

"An expression my friends in South America use," he said, "for an apparently democratic structure to conceal discrimination and intolerance that indicate totalitarian tendencies." Even a small electoral advance on the one deputy they now have would make a difference, he believes. "Three CDU deputies would do more to defend the people than 50 of the PSD," he said.

But Padre Silva admits that the church hierarchy's opposition would discourage many. "The people are frightened of us because the PSD and church leaders have succeeded in stigmatising the left; there is a dangerous discourse that associates the left, particularly

communism, with Satan." Padre Silva believes it is easy to explain why the political opposition is led by priests: "It is part of the history of Madeira. The blood coursing through our veins is that of slaves, sugarcane slaves, outlaws, deportees and prisoners. We had a feudal land structure. This prompted rebellion against those who enriched themselves at the slaves' expense. Some acts of rebellion were led by priests."

Fr Mario Thavres, a former parish priest and now the CDU's only deputy, is number two on the list after Fr Silva. "For the past 20 years," he said, "the church leadership has been servile to the regional government in return for continuous subsidies." Last year the Church of Madeira received the equivalent of £1.5m in subsidies from the regional government, he said.

The socialist candidate, Fr Martins Junior, wants more autonomy for the island. "At the moment our autonomy begins and ends in the *Quinta Vigia* [regional presidential palace]. Our people are marginalised and our local power is stifled."



Fare fight: Two thousand taxi drivers went on strike in Belgrade yesterday, demanding cuts in the taxes they pay and lower duties on imported second-hand cars. Serbia has been hit by a wave of strikes as the economy worsens. Photograph: Reuters

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# Biker chick and invisible woman race for the White House



Love me do: Once Hillary was part of Bill Clinton's act, but no longer. Elizabeth Dole, though, has come out fighting for her husband, Bob



Photographs: AP, Reuters

The image is deliberately fuzzy and timeless: the candidate's wife clad in a warm apricot-coloured suit, on a sofa in an airy flower-filled living room that recalls the North Carolina where she grew up. In her rich southern accent, she extols the virtues of her husband. "Bob Dole," she says, "doesn't make promises he can't keep."

Of the television advertisements the Dole camp has come up with, this one is perhaps the most effective yet, simultaneously rubbing away the veneer of harshness from the candidate's image, reaching out for the women's vote and underlining the issues of trust and character that are moving centre-stage in the campaign. But then again, with the possible ex-

## THE US PRESIDENTIAL ELECTIONS

ception of the retired general Colin Powell, Elizabeth Dole is perhaps the most potent weapon her husband has.

With less than four weeks left before the poll on 5 November, one of the campaign's most intriguing sub-plots has been the role of the wives. They have much in common; both boasting glittering Ivy League academic resumes, both trained as lawyers, both emblems of emancipated, high-achieving womanhood at the end of the 20th century, and neither of them

one of nature's cookie-bakers. But where Mrs Dole seems omnipresent, Hillary Clinton is almost invisible. Not a squeak is to be heard of Bill Clinton's campaign call of 1992, "Vote for me and get two for the price of one." On the stump, Mr Dole constantly refers to his wife: Mr Clinton almost never – and understandably so.

Among women, and in up-market East Coast enclaves like Massachusetts, the First Lady remains a popular figure. But she is identified with many

of the least loved policies of the Clinton administration, above all, the failed attempt at health-care reform. More generally, she is, rightly or wrongly, perceived as the embodiment of the "liberalism" that her husband is trying at all costs to avoid. "I'd be very surprised if they ever let her talk on camera," Alex Castellanos, a Republican media expert, drolly commented last week. With Elizabeth Dole, the opposite is true.

Far more articulate than her husband, she averages 20 or 30

public appearances a week – as many as he does, or more. Some are routine speeches at fund-raising events and women's clubs, variations on the theme of Bob Dole as "a workhorse not a show horse", contrasting the plain-spoken Republican with the glib, flashy and deceitful occupant of the White House.

Others are less conventional – none more so than when she took to a motorcycle and roared on to the set of Jay Leno's *Tonight Show* last week, wear-

ing not her usual pearls and pastel-shaded *tailleur* but jeans and a leather jacket emblazoned with the words "Bikers for Bob". Then came one of Campaign '96's more absurd lines: "I've come a long way – from Harvard Law School to biker chick."

Not quite what is expected from an elegant 60-year-old woman who has served in the cabinets of two Republican presidents and is on leave of absence from a \$200,000-a-year (£130,000) post as head of the American Red Cross. But her purpose is clear – to remind voters that Bob Dole is a human being, not a one-dimensional, stiff-suited cut-out who has spent his entire life on Capitol Hill, severed from the real world.

The advertisement serves to the same end. With Mrs Dole's insistence that "I know Bob Dole and you can trust him", it is part of Mr Dole's long-awaited autumn offensive on the Clinton character issue, which his advisers believe offers his best and perhaps last chance of erasing the president's big lead in the polls.

Plainly invigorated by his widely praised showing in Sunday's television debate, Mr Dole opened hostilities during a bus tour of New Jersey this week, and in a new batch of radio advertisements saying that America suffered from a moral crisis, originating "not in your house but the White House". It is now open season on Mr Clinton's slipperiness,

Whitewater and other lapses. Most important of all however, Mrs Dole is a bridge to the women's vote that eludes her husband. The two candidates are running roughly level among men. Among women however, polls put the President 20 or more points ahead. Unless Mr Dole can sharply reduce that lead, he is all but doomed.

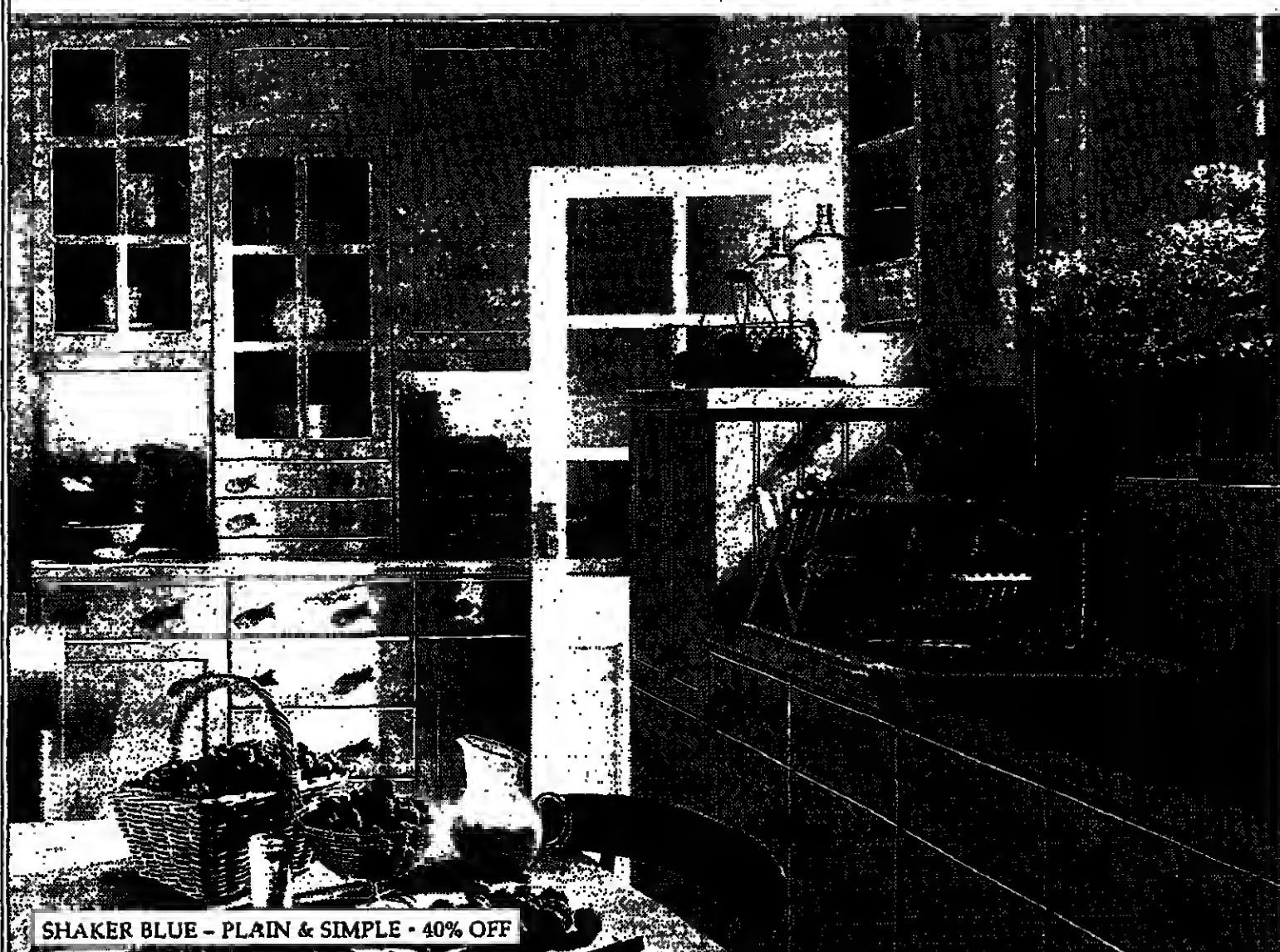
Thus far his wife's performances have won glowing reviews but not, it would seem, many new votes among that fashionable new swing vote of 1996, the suburban "soccer moms" exhausted by juggling jobs, home, and their children's sports fixtures. If anyone can bring the "soccer moms" back into the fold however, it is probably Elizabeth Dole.

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Magnet  
Food for thought

IND 36

## \$1m price of Sarah's secrets

PATRICK COCKBURN  
Jerusalem

Sarah Netanyahu, wife of the Israeli Prime Minister, is at the centre of a dispute over a book her ex-husband plans to publish about the seven years he was married to her.

Israeli television said Bin-yamin Netanyahu and his aides failed to persuade Doron Neuberger, a teacher on a kibbutz, not to go into print. The Prime Minister's office said Mr Neuberger demanded \$1m (£660,000) to remain silent.

Interest in Mrs Netanyahu has been keen since the time, shortly after her husband became prime minister, that their nanny said she had been dismissed for burning the soup, and spoke of Mrs Netanyahu's obsessive cleanliness.

Mr Neuberger, who divorced



Mrs Netanyahu: Hot news

Mrs Netanyahu in 1987, said her access to secret documents endangered the state; he wrote the book after seeing Mr and Mrs Netanyahu on television reviewing state papers together.

Exactly what is in the book nobody knows but the nanny affair gave bizarre glimpses into the home life of the Netanyahus. A second nanny, dis-

missed after a week, said Mrs Netanyahu allowed her to eat an egg only once every two days, on grounds of expense.

Before the nanny revelations, Mrs Netanyahu had attracted attention only once when, during the battle for the Likud party leadership four years ago, she stood by her husband when he admitted to adultery. In the election campaign this year she was with him the whole time, apparently as an example of family values, but said little.

Even before Mr Neuberger emerged from his kibbutz to tell all, the *Haaretz* television programme, which uses puppets, had planned to feature the Netanyahus. The protagonists will be a family of cockroaches living under Mrs Netanyahu's kitchen and will comment on her problems with Bin-yamin, nannies and her ex-husband.

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Minorities under fire: Feelings high as xenophobia hits nationalist nerve in Australia and New Zealand

# Outcry over attacks on Asians

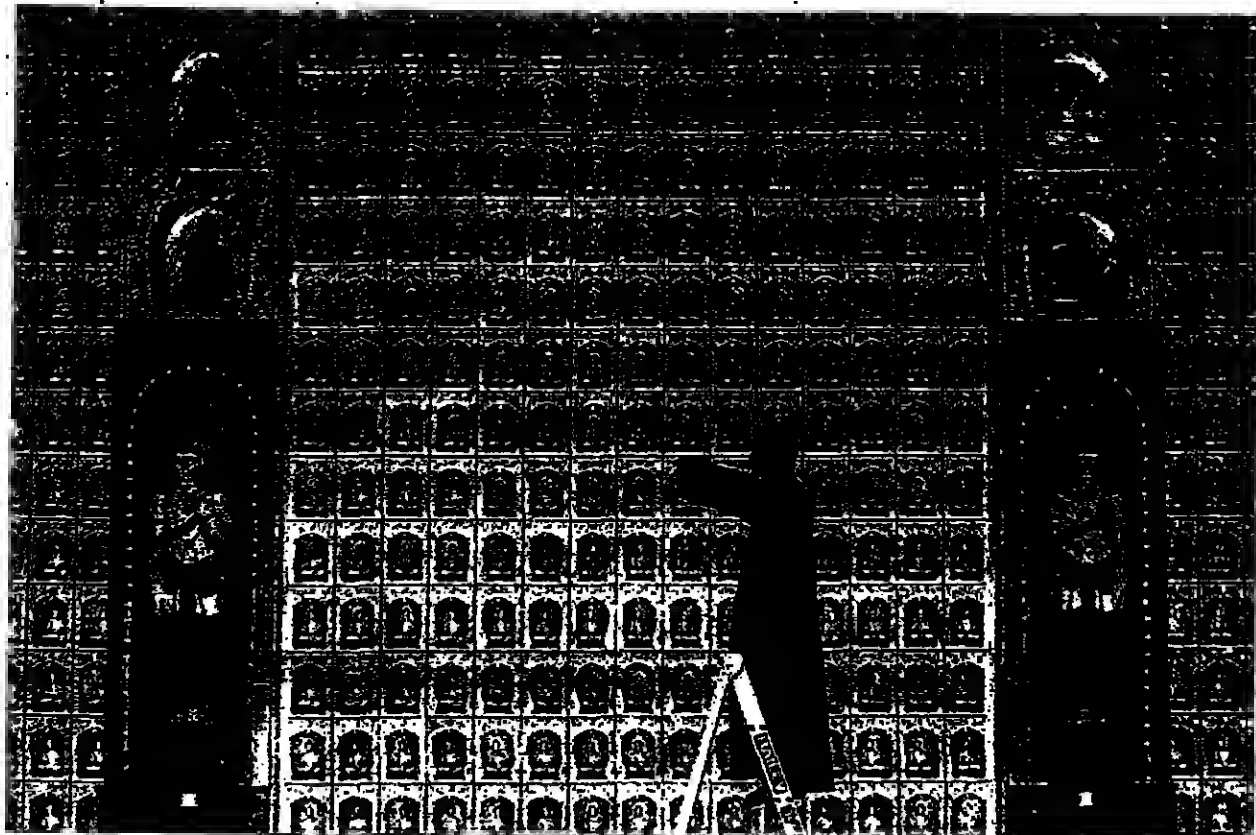
ROBERT MILLIKEN  
Sydney

A new backlash against Asian immigrants and Aborigines has hit Australia, and has brought political pressure on John Howard, the prime minister, to defuse the furor.

The outcry was sparked by Pauline Hanson, a woman whom few Australians outside her home town of Ipswich in Queensland had heard of until recently, but who is now a household name. The former fish-and-chip shop owner was elected to federal parliament last March as an Independent MP. The Liberal Party, which Mr Howard leads, had ditched her after she attacked Aborigines and Asians in her election campaign, and called for an end to immigration.

But, since Ms Hanson repeated her views in her maiden speech to parliament a month ago, all hell has broken loose. She has appeared on television all over the country, been flooded with invitations to speak at functions and was given a standing ovation when she spoke at a fund-raising dinner in Brisbane last week for the National Party, the junior partner with the Liberals in the ruling conservative coalition.

Ms Hanson told parliament: "We are in danger of being swamped by Asians... who have their own culture and religion, form ghettos and do not assimilate." On Aborigines, she said: "Along with millions of Australians, I am fed up to the



Home from home: The Rev Man Chu checks 8,000 statues of Buddha in a temple near Sydney

Photograph: AFP

back teeth with the inequalities that are being promoted by the government and paid for by the taxpayer under the assumption that Aborigines are the most disadvantaged people in Australia." She called for an end to Australia's foreign aid,

a review of its United Nations membership and a return of national service for 18-year-olds. An opinion poll published on Tuesday showed that 48 per cent of respondents supported Ms Hanson's views and 38 per cent opposed them. In New South

Wales, the most populous state, her support was 53 per cent. Another opinion poll revealed that 71 per cent of Australians thought immigration levels generally were too high.

At first, Mr Howard ignored Ms Hanson, telling Liberal MPs that to respond would give her opinions more significance than they deserve. But his tactic has backfired. Alarmed MPs have stepped up pressure on the prime minister to condemn Ms Hanson, claiming that her remarks have unleashed racial at-

## significant shorts

### Quake hits swath of the Middle East

An earthquake rocked a swath of the Middle East, swaying buildings in Cyprus and sending people running into the streets of Cairo. It was also felt across Israel, Syria, Jordan, Lebanon, western Turkey and some Greek islands. Five residents of Paphos, Cyprus, were slightly injured and a number of buildings suffered mild damage. AP - Nicosia

### Legal respite for former Indian PM

The former prime minister PV Narasimha Rao won temporary legal protection against arrest in a criminal forgery case. Delhi High Court Judge SK Mahajan granted Mr Rao protection against arrest until a lower court holds a hearing into the seven-year-old case on Monday. *Reuter - New Delhi*

### Ukraine bank short-changed

\$4.3m (£1.8m) in cash disappeared from a bank and so has its director in what police said could be Ukraine's biggest bank heist. Workers at the bank in Pershotravny said seven cash bags were missing; the son of the branch director said his mother had been missing for three days. AP - Donetsk

### Killings raise Korea tension

The murder of three South Korean civilians, named by the Defence Ministry on North Korean infiltrators, added fuel to a crisis sparked by last month's intrusion of 26 North Koreans aboard a submarine. *Reuter - Seoul*

### Militants murder 38

Suspected Algerian Muslim militants killed 38 people in attacks seen as avenging the death of a militant leader and nine of his lieutenants. Most of the victims were killed at a fake police roadblock set up by the rebels. AP - Algiers

### Swiss thought for food

Zurich is split over whether to poison or to eat a swarm of American crayfish that have colonised a pond in the canton and are threatening to devour local bugs, fish and plants. The authorities want to use insecticides but residents are urging the canton to use nets, combining the goal of crayfish eradication with a culinary reward. *Reuter - Zurich*

## First Chinese MP to fight ethnic corner in Wellington

DAVID BARBER,  
Wellington

A wave of anti-immigrant feeling throughout New Zealand has stirred the political awakening of the country's 185,000-strong Asian community which is expected to turn out in force for Saturday's general election.

As a result, New Zealand is poised to elect its first ethnic Chinese Member of Parliament, 130 years after the first immigrant gold miners from China arrived. Pansy Wong, a 41-year-old Christchurch accountant born in Shanghai and educated in Hong Kong, is almost certain to be elected on the conservative National Party ticket.

Chinese immigrants were denied citizenship and the right to vote until the early 1950s. Since then, they have largely ignored the political process. "They always thought it was a white man's country," said Ken Yee, another National Party candidate who concedes he has

only a 50-50 chance of election. Mr Yee, 43, a Canton-born lawyer, was brought to New Zealand by his immigrant parents when he was two.

One man is largely responsible for the immigrants' political awakening - Winston Peters, leader of the nationalist New Zealand First party, who earlier this year made a series of speeches on the theme: "Whose country is it anyway?"

Although he denied charges of racism, Mr Peters tapped latent xenophobia among white New Zealanders. Asian immigration has soared in recent years, with 20,851 people from Taiwan, China and Hong Kong being approved for residence in the 12 months to last June.

The government said the immigrants brought the money and skills New Zealand needs, but Mr Peters said many did not speak English, had no commitment to New Zealand and forced up house prices in Auckland, where most have settled. He called for an annual limit of

10,000 migrants, who would be admitted on probationary visas.

His speeches were blamed for an outbreak of racist attacks on Asians, and prompted the formation of the Ethnic Minority Party, led by Robert Hum, 42, an Auckland banker who migrated from Kuala Lumpur 10 years ago. He claims 120,000 members, and says he has documented 240 racist incidents. "The yellow-peril syndrome has become a paranoia here," he said. The National Party's Mr Yee had one of his election billboards defaced with the words: "Chinks eat cats."

The Asian communities, like European voters, have different electoral priorities, but one common goal - to stop Winston Peters. It may be a lost cause. While New Zealand First's popularity has slipped during the campaign, polls indicate that Mr Peters is likely to be the kingmaker - able to choose whether to join a coalition led either by the Nationals or the main opposition Labour Party.

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## international

## Life mirrors soap when east meets 'EastEnders'

## MOSCOW DAYS

Now I don't want to sound snobbish, but dinner parties among Britons in Moscow have changed. A year ago the agenda was clear: Boris Yeltsin's health, the warring factions in the Kremlin, the difficulties of trading in a market awash with mafiosi. All this, followed by a spot of light moaning, over the port, about how hard it still is to find everyday products, like shoe laces, in the shops.

Now you can forget it. Visitors to Moscow, be warned. Do not accept an invitation from a fellow countryman unless you can hold your end up in a lengthy debate about that most English of institutions, the popular television soap opera *EastEnders*.

And we're not talking about a vague chat. You must be the master of every detail: the attempted assassination of Ian Beale, David Wicks' adultery, Phil Mitchell's drunkenness. Call a Cathy with a Cindy, and you might as well have muddled Tolstoy with Trotsky. What more would you expect from a foreign community which has

of *The Antiques Road Show*, *Dad's Army*, *Are You Being Served*, or - unfortunately - *Noel's House Party*. If *EastEnders* were more comprehensible to non-English speakers (or non-Eastenders, if the truth be told), then no doubt it would have a large Russian following.

Certainly, the appetite is there; the Russian addiction to soap operas rivals that of the British. In fact, it is so strong that the Russian television companies - keen supporters of Boris Yeltsin - continued to lay on extra episodes of *Santa Barbara* and the Latin American soap *Tropicana* on election day last July, in the hope that the Communist-supporting *babushki* (grandmothers) would decide to stay at home in front of the television.

In the last few months, a new programme called *Man in the Mask* has appeared on Russian screens. It delves into those areas which the country still find hard to confront. Guests appear in front of a studio audience clad in a steel mask. Last week, we saw a homosexual who explained that he could not discuss his sexual orientation on television without a disguise - a claim that is highly credible given Russia's macho culture and widespread homophobia. Before that, it was an alcoholic. The ratings are soaring.

Soon there will be more. Russia's five main channels will face rivalry from three new cable and satellite networks, which intend to bombard the 148 million population with sport, music, films, news and - of course - advertising. The largest of these, NTV Plus, is run by NTV, a private company which had a reputation for independence until the presidential election, when it used the airwaves shamelessly to support Mr Yeltsin. Another new outfit, Ren-TV, has the backing of Yuri Luzhkov, the powerful mayor of Moscow and likely contender to fill Mr Yeltsin's shoes.

None of this will make any difference to Moscow's hard core of *EastEnders* fans. Whatever is beamed down from the heavens is unlikely to break their habit. They know the two places have much in common. They both have an alcohol addiction, though Russia has the bigger problem: the sight of a dead-drunk man unconscious on the ground merits no more attention here than an upturned dustbin. (Not long ago, I watched a group of youths using a comatose drunk as a stepping stone on the pavement). Contract killers (the square's latest drama) run amok. They both have clans, family feuding, gossip. Is it too much to suggest that Albert Square could very easily be Red Square? Or have I been to too many dimmers?

Phil Reeves

## Afghan rebellion: Toppled regime tries to stage fightback with support of powerful neighbour



Taliban troops in the Panjshir Valley during a lull in fighting with government-backed forces

Photograph: John Moore

## Ferocious mountain offensive leaves defiant Taliban bloodied

LAURENT HAMIDA  
Reuters

Qalatak, Afghanistan. — Taliban officers claimed yesterday they had contained a major counter-attack in the Salang Pass, through the Hindu Kush mountains, by forces of former government military chief Ahmed Shah Masoud, after fierce fighting.

"It was hard to contain the attacks and the fighting was very serious, but we brought up heavy reinforcements and halted it. We are now in control," said Maulavi Khairulla Haqani, the Salang battlefield commander of the Islamic Taliban militia, which took Kabul on 27 September.

But his front line at Qalatak, north of the Taliban headquarters town of Jalal-Abad, was 15-20km south of where it had been before the attack began on Tuesday morning.

He refused to discuss casualties or where the reinforcements had come from at his front-line post, where the road was littered with shell-casings and clearly exhausted and nervous Taliban fighters.

But western aid workers quoted witnesses in Jalal-Abad as saying they had seen at least 100 dead Taliban and many more wounded being ferried from the battlefield.

"One counted 39 bodies being brought down in just an hour," one source said. They added that the assault on the Taliban was led by Basir Solangi, Masoud's commander in the Salang Pass, who withdrew north into the territory of Uzbek leader, Abdul Rashid Dostum, as the Islamic militants pressed north from Kabul.

They said the attack had forced the Taliban to suspend their so far unsuccessful attempt to break into Masoud's

Panjshir valley fortress from the town of Gulbabad, astride the narrow, winding gorge leading into it.

"There are no Taliban left in Gulbabad. They've all been switched to the Salang," said one. He said the Taliban had suffered about 270 casualties.

'39 bodies were brought down from the battlefield in just one hour'

many of them to mines - since their attempt to force a way into the Panjshir began on Saturday. Gulbabad lies about 10km east of Jalal-Abad, and the Panjshir valley runs north-east from there. The Salang Highway runs due north from Jalal-Abad to Mazar-i-Sharif, from which Dostum controls six of Afghanistan's 33 provinces, and on to Central Asia.

The deposed Afghan president Burhanuddin Rabbani pleaded yesterday for negotiation, not confrontation, with the Taliban forces who drove him and his government from Kabul and now control two-thirds of the country.

Speaking to reporters just

west of Mazar-i-Sharif in northern Afghanistan, Rabbani sounded almost meek by comparison to his remarks on Monday, when he vowed to take the offensive against the Taliban.

"We do not support more war. Everything possible should be achieved through negotiation," he insisted.

Mr Rabbani arrived in Mazar-i-Sharif on Tuesday for

his first meeting in three years with Dostum, whose military and political support is needed to stem the Taliban tide.

Mr Rabbani said his aim was to form a broad-based and united front against the Taliban and that he had invited all factions to join him in an effort to reunify the country.

"Our first aim is restore security to the country and to stop the fighting. We are trying to create understanding and communication among all the ethnic groups," he said.

This has been told to the Taliban too. If they don't agree, then maybe the front will have to make some military and political decisions too.

A spokesman for the ousted Afghan prime minister, Gulbuddin Hekmatyar, said Mr Hekmatyar supported efforts to forge an anti-Taliban alliance between General Dostum and the former government.

But Ghairat Baheer, designated ambassador to Islamabad by Mr Rabbani, said Mr Hekmatyar was unlikely to join current talks between General Dostum and Mr Rabbani.

"Hekmatyar is busy with something else, but Rabbani can speak on behalf of the whole government," Mr Baheer said.

Forces of Mr Hekmatyar's Hezb-i-Islami party were fighting alongside those of Masoud, in the Panjshir Valley, he said. The International Committee of the Red Cross said yesterday that the Taliban militia attacked and detained a member of the ICRC in Kabul.

A spokesman said Swiss national Jean Goude, who supervised detention issues in Kabul, was assaulted on Monday night. Several Taliban guards beat him and then took him to the foreign ministry and then to a jail. He was released on Tuesday morning.



Erika Pilhar: Charged with harming her daughter

## Parents on trial for cancer treatment refusal

Wiener Neustadt, Austria (AP) — The parents of a girl whose battle with cancer filled news pages across Europe last year went on trial yesterday charged with inflicting grievous bodily harm on their daughter.

They were also charged with removing a minor from the influence of a court-appointed guardian by fleeing with their daughter, Olivia Pilhar, to Spain to avoid chemotherapy and surgery on an abdominal tumour. Erika and Helmut Pil-

har pleaded not guilty to the charges. Their lawyers argued that "they pursued the way deemed appropriate for responsible parents". If convicted on both counts, the parents could be sentenced to a maximum of three-and-a-half years in prison.

In June 1995, a court removed Olivia, then six years old, from her parents' guardianship. At that time, the tumour weighed four kilograms and almost filled her abdominal

cavity. Doctors estimated her chances for survival had diminished from more than 90 per cent to a mere 10 per cent.

Against the will of her parents, doctors began chemotherapy to shrink the tumour. When they operated, the tumour was down to one-tenth of its former size. One kidney was disabled, and was also removed.

Doctors said recently that Olivia's health had improved markedly and that she is likely

to recover completely. But it would take about two years to establish with any certainty that she will survive.

The tumour was tiny when it was discovered in May 1995. But it grew rapidly as the parents refused chemotherapy on the advice of a former doctor who was opposed to conventional cancer treatments. The doctor, a German, had been stripped of his medical licence in 1986 because of his controversial views.

In court, Olivia's father testified the family's ordeal from the time the cancer was diagnosed. He said that after many misgivings, he and his wife had decided to remove their daughter from conventional care and entrust her treatment to Gerald Ryke Hamer, the banned German doctor.

After a later court appearance by Olivia's mother, the trial is due to continue tomorrow, and a verdict is expected the same day.

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BACK TO BOSNIA

# The painful search for reminders of Radovan

Sanski Most — Radojka Todorovic had told us that she and her husband had fled from their home at 14A Braca Jugovic street, that the Muslims who now lived there were kind, and that her missing son's photograph still lay in the house. Her tears made it impossible to refuse her plea to retrieve it. But the Muslims who captured the town almost a year ago had renamed some of the roads, and many of those same Muslims had been driven from the very area in which the Serb Todorovic family now lived, in the "cleansed" farmland of north-western Bosnia. Their hearts would not be warmed by my story of Radojka Todorovic's grief as she tried to identify the remains of her only son in Sanski Most.

Sanski Most was a shared town in the pre-war days of old Yugoslavia, and it did not take long to find a policeman who remembered the old Braca Jugovic street; turn right after the bridge, Radojka Todorovic had told us, and you'll find the house after 800 metres, a single-storey villa with an out-house at the back, the upper floor reached by a wooden staircase.

The Muslim policeman mentioned the bridge and number 14A stood as Radojka described

it, white-walled beside a garden of fruit trees with a bench below the outhouse stairs. Mustafa Mahic was sitting on the bench and he wasn't happy. "Todorovic? Todorovic?" he asked, frowning and looking at his son. "They were some of the worst of the Serb war criminals, we know the name well." A common name, I mumbled, as he knew well. Of course, the Todorovic family was large, but Radojka and her husband, Nikola, and their missing son were not war criminals.

I described, as the two men listened to me in a cold silence, how I had watched the couple trying to identify the heap of bones and flesh in Banja Luka's awful makeshift morgue the previous day, how their only son Radovan had been a student until forced to join up on 21 August last year, only to disappear at the front 13 days later.

I had seen his student papers and military documents, I said. He had never been a criminal. There was a young daughter, Visnja. The mother wanted only the family papers and photographs, along with a snapshot of Radovan taken four months before he left home for the last time, celebrating his graduation, along with his girlfriend.

"Who killed him?" Mustafa Mahic asked. The Croats, I said truthfully, and the hardness

in his face softened as if he had suddenly grown older than his 71 years. He pointed at his chest. "I was in the Manjaca camp," he said. "So was my son." I had feared this. Like most of the survivors of the Serb ethnic "cleansing" of Prijedor and Kozarac, he had been sent to one of three camps, the least terrible but murderous, none the less.

I had visited Manjaca myself in 1992 and seen the wraith-like prisoners, forced to wear military clothes, kicked and beaten when visitors were not present, occasionally bludgeoned to death. "I don't know how I survived," Mustafa Mahic said. "What is Kozarac like now?" he asked.

It was pointless to lie. I had just driven up into his village on the other side of the old front line, to look at the wreckage of the 1992 Serb assault on the Muslims of north-west Bosnia. Every home had gone, I said. Torchred, gutted, the farmlands overgrown, the roads broken.

Mahic nodded. "I know," he said. It had been a test. Then his son mentioned to the staircase that led to the upper floor of the outhouse. "The only things we found here were up there."

In the attic of the building lay a pile of papers. They were pathetic; copies of dust-covered women's magazines, a history of Marxist ideology in Cyrillic script, a 1991 newspaper, a



Casualty of war: An earlier picture of Radovan, who was captured just days after his call-up

child's geometry and algebra book. Beneath them, I found a framed photograph of a little girl sitting in a school classroom, smiling shyly at the camera as she sat on a bench in a pink dress. Beside it was a heap of exercise books, each clearly entitled in biro: "Visnja Todorovic." But there was no photograph of Radovan.

"That's all there was but you're welcome to look some more," Mustafa Mahic said. We rummaged under heaps of wood and old blankets and

pruning books, but there was nothing more. I gathered up the school papers and the picture of the schoolgirl Visnja and her exercise books. I thanked the man and his son and told them they had been kind.

"We are kind people," the old man said and stroked his chin. "I was a Partisan in the war and fought all over eastern Bosnia for the liberation of my country from the Germans. Then in 1992, I was rewarded by being thrown from my home and more than 40 members of my

## Canada loses top officer to ghosts of Somali past

Second chief of staff forced to resign as scandal rumbles on

HUGH WINSOR  
Ottawa

It was more than three years ago that trigger-happy members of the Canadian Airborne Regiment, based in northern Somalia as part of a UN peace-keeping mission, shot and killed one Somali looter and tortured another to death. But the reverberations of those shots are still shaking up the government of Prime Minister Jean Chrétien, claiming the head of the Canadian Armed Forces chief of staff this week.

General Jean Boyle, formerly an air force fighter pilot, was relieved of his command on Tuesday, the second chief of staff whose military career has been terminated by the Somalia scandal.

There is much more at stake than planning the blame for actions on a small rogue element within the now-disbanded Canadian Airborne Regiment, during an unsavoury assignment. The Canadian forces' experience in Belet Huen has become the thread that is unravelling one of the sources of Canadian national pride and a cornerstone of Canadian foreign policy — its widely-respected participation in UN peace-keeping. A former Canadian prime minister, the late Lester Pearson, won a Nobel Peace Prize for his role in establishing the first UN-sponsored peace-keeping force, following the 1956 invasion of the Suez Canal zone.

Canadian soldiers, airmen and naval officers have been sought out for their reputed impartiality and technical competence, often providing the communications and logistical support for UN missions throughout the Middle East, Africa and now Haiti. So much so that the UN blue beret is now an important Canadian symbol.

Six soldiers, including two officers, have been charged and convicted for their varying degrees of responsibility for the torture and death of a Somali teenager while in custody, but the inquiries prompted by that murder and the other shootings has revealed widespread malaise within the Canadian army.

It was subsequently revealed that senior officers knew the Airborne regiment had serious discipline problems before it was sent to Somalia and that there were several instances of racist behaviour. Some members had boasted that they were going to Somalia "to shoot niggers". The chief of staff in charge at the time of the Somalia deployment was forced

out and General John de Chastelain, who had retired and been made Canadian ambassador to Washington was called back to resume the position of chief of staff with a mandate to clean the house. But he retired again last January and was replaced by General Boyle, who apparently had no connection with the Somalia affair.

That turned out not to be the case, as the Somalia inquiries probed deeper. It turned out that General Boyle, who was in National Defence Headquarters at the time of the Somalia incidents and responsible for communications policy, had been part of an effort to prevent the media from obtaining information about the incidents.

Documents that ought to have been made accessible to the public were shredded or altered. Although he came under heavy criticism, General Boyle clung to his job because David Collinette, who had been



Impact: Jean Chrétien has been shaken by the Somali atrocities

the Minister of National Defence since the Liberals took power in 1993, consistently supported him.

Mr Collinette was forced to resign from the government last Friday on an unrelated matter. He had signed a letter to the Immigration and Refugee Board, a quasi-judicial body, on behalf of a constituent, which is contrary to the ethical guidelines that apply to ministers of the Crown.

Without a protector, General Boyle's own fate was thus sealed, especially since the new defence minister, Douglas Young, subsequently refused to give him a vote of confidence after a long meeting on Monday.

The next day, General Boyle delivered his ceremonial sword and letter of resignation to Mr Chrétien's office and they were accepted.



Parents' anguish: Radojka and Nikola Todorovic looking to identify their son's remains

'In the attic lay a pathetic pile of papers, dust-covered magazines, and a heap of school exercise books, but no photograph'

From Big Bang to city scandal: 10 years of Independent business. Pages 22-23.



## obituaries / gazette

## Lord Roskill

Eustace Roskill was equipped with a formidable intellect, an astonishing memory and a great gift for inspiring affection and friendship. He could deliver accurately and persuasively a complicated judgement, orally and extempore. He could entertain with brilliant conversation and anecdotes delivered with charm and without malice.

He was born in 1911, the youngest of four sons. His brothers became respectively Chairman of the Monopolies Commission, a famous naval historian, and a distinguished industrial consultant. Eustace was an Exhibitioner at Winchester College and an Exhibitioner at Exeter College, Oxford, where he took First Class honours in Modern History. He was elected to a Harmsworth scholarship and called to the Bar by the Middle Temple. He was a pupil of John Pritt and Henry Willick and practised as a junior at the Commercial Bar.

To give a bare recital of his subsequent major achievements, he took silk in 1953, became Chairman of Hampshire Quarter Sessions in 1960, and was appointed a Judge of the High Court, Queen's Bench Division in 1962. In 1967 he became the first Vice-Chairman of the Parole Board, and the following year was appointed Chairman of the Third London Airport Commission which reported in 1970. In 1971 he was promoted to the Court of Appeal and in 1980 elevated to the House of Lords as a Lord of Appeal in Ordinary and sat on the Appellate Committee and in the Judicial Committee of the Privy Council until his retirement in 1986. He was Chairman of the Fraud Trials Committee which reported in 1986. After his retirement he was Chairman of the Appeals Committee of the Take-over Panel between 1987 and 1993. Until shortly before his death he was much in demand as an arbitrator in commercial disputes at home and abroad.

This recital does not, however, do justice to Eustace Roskill's complex character and humanity. He was the son of a

KC, a strict and much-loved father who inculcated in his children the virtues of hard work and public service and the principles of Christianity. Eustace was greatly attached to his mother and greatly shocked by her death in a fire at the family home. In the 1930s he suffered from tuberculosis; as a result he was unfit for active service and spent the war years in the Ministries of Shipping and War Transport, working with Sir William McNair on questions of international law to avoid the threat of vessels being impounded by hostile nations.

As a junior in commercial chambers before the war, work was hard to come by and money short, but after the war Roskill acquired a large commercial practice by hard work, attention to detail, speed and decisiveness. His clients appreciated his mastery of the law, his analyses of the facts, the application of principle and practical advice. He encouraged young brilliant entrants to the profession including John Donaldson, subsequently Master of the Rolls, and Michael Mustill, now a Lord of Appeal.

When he joined the Commercial Bar the range of work was largely limited to the traditional subjects of carriage by sea, insurance, banking transactions and the supervision of arbitrators. His initiative and energy at the Bar and subsequently on the Bench began the process (carried forward by his contemporaries and successors) of transforming the scale and variety of the Commercial Bar's work and the accessibility and speed of response of the Commercial Court.

Roskill extended his practice to crime and personal injuries in becoming Vice Chairman and later Chairman of Hampshire Quarter Sessions. When he took silk he argued a number of civil cases of great importance with skill and success. His promotion to the Bench in 1962 as a judge of the Queen's Bench Division was expected and welcomed.

As a judge, Roskill was ap-

preciated for the qualities which had brought him success at the Bar. In court he was patient and courteous. He was respected for high principles and admired for his common sense. He was strict in the punishment of crimes of violence but understanding and compassionate toward those who did not constitute a menace to society.

Roskill organised the first of a series of sentencing conferences for magistrates, and is still remembered by the magistracy for his leadership and guidance and friendly advice which produced fairness and consistency in the administration of the criminal law. At the Parole Board and with his fellow judge Arthur Hughes he was largely responsible for rules of practice and procedure which established the reputation of the Board for fairness and consistency.

Roskill's success as a judge led to his being presented with the poisoned chalice of chairmanship of the commission which was instructed to choose between possible sites for the Third London Airport. His report is still studied in academic circles as a model example of cost benefit analysis. Roskill's conduct of the work was impeccable. With one dissentient the commission agreed on the best site, at Covington in Bedfordshire. If the recommendation had been accepted a good deal of anguish for travellers would have been saved; it was however hotly opposed by local interests; Roskill was unfairly abused and carried that abuse with equanimity although it must have hurt. He stoically declined to answer back and allowed the report of the commission to speak for itself.

He later suffered bad publicity and abuse when a soldier convicted of rape was freed by a division of the Court of Appeal over which he presided. This was ironic, because Roskill was always strict in his approach to crimes of this nature; but the court took the view that much harm and no good would result from a prison sentence, that the pronouncement of the

original sentence of three years was a sufficient deterrent and that the prisoner would become a useful member of society if he were released and thus enabled to be taken back into the Army.

In addition to his work at the Bar and on the Bench Roskill devoted much time and skill to help those institutions which had won his loyalty. He became a fellow of Winchester College, an honorary fellow of his college at Oxford and enjoyed meeting the dons and the young undergraduates with whom he was at ease.

When Lord Pearce's Committee recommended a reorganisation of the relationship between the Bar and the Inns of Court, Roskill consented to become the first President of the Senate of the Inns of Court and the Bar and it was largely due to his tact and energy that the reorganisation succeeded.

Throughout his career, Roskill took an active part in the affairs of the Middle Temple. Before, during and after becoming Treasurer of the Inn - at the same time as his brother Ashton was Treasurer of the Inner Temple - he was available to advise and encourage students and young barristers.

Accessibility was the keynote of Roskill's personality on and off the Bench. He was often to be found between his flat in the Middle Temple and the Law Courts carrying on a wide-ranging and unimpeded conversation. The same lack of pomposity and grandeur marked his activities with the young as with his seniors. He set high standards for the Bar and could bear heavily on those who performed badly, but his solicitude for those he felt would benefit from support and encouragement helped launch many a successful career. When personal tragedy struck a friend, tactful help and sympathy were inevitably forthcoming from Roskill and his wife Elisabeth.

After his retirement Roskill was a popular choice as Chairman of the Take-over Appeal committee and as an arbitrator. His last and perhaps greatest contribution to the improve-



Roskill: courteous, compassionate, but strict on crimes of violence

ment of the administration of justice is to be found in the report of the Fraud Trials Committee which he chaired. The recommendations with regard to jury trial were not well received in some quarters but time has proved that, as Roskill with his vast experience believed, justice is not best served by imposing excessive burdens of time and complication on judges. The committee's recommendations with regard to other matters such as pre-trial conferences and pre-trial disclosure brought a breath of fresh air to the scene and have been accepted and largely adopted.

In his last years Roskill fought bravely against ill-health, sustained as always by his family. He retained his interest in literature, music and art and attended a performance of a favourite opera not long before he died. No account of the career of Eustace Roskill would be complete without an acknowledgement of the debt he owed to his wife Elisabeth. They were together for nearly 50 years, they adored one another, they supplemented and complemented one another and Roskill would not have accomplished so much without her.

Sydney Templeman

**Eustace Wentworth Roskill**, judge: born London 6 February 1911; called to the Bar, Middle Temple 1933; QC 1953; Kt 1962; Judge of the High Court of Justice, Queen's Bench Division 1962-71; Chairman, Commission on Third London Airport 1968-70; PC 1971; a Lord Justice of Appeal 1971-80; created 1980 Baron Roskill, a Lord of Appeal in Ordinary 1980-86; married 1947 Elisabeth Jackson (one son, two daughters); died Reading, Berkshire 3 October 1996.

## Professor Thomas ap Rees

Thomas ap Rees, Professor of Botany and Head of Plant Sciences at Cambridge, was killed on 3 October cycling the six or so miles home from work - something he did almost every night of his life in Cambridge.

His contribution to the field of plant biochemistry was substantial. Since his first publication in 1959, he produced over 100 research papers and more than 20 reviews. As Head of Plant Sciences he continued to maintain an active research group, training graduate students and producing a steady flow of research publications.

Soon after coming to Cambridge in 1965, he collaborated with members of the Biochemistry, Genetics and Zoology Departments to design and establish an important new course for first-year students which became known as Biology of Cells. This development was of enormous significance for science education at Cambridge and has been used since as a model for inter-disciplinary courses throughout the country. A whole generation of Cambridge chemists and physicists was trained in molecular and cellular biology after receiving from Tom ap Rees their first instruction in the mysteries of life.

He was born in 1930 and attended Llandovery College, Dyfed. In 1951, after two years' military service in the Royal Corps of Signals, he went up to Lincoln College, Oxford, where he was awarded an Upper Second in Botany. He stayed in Oxford for his DPhil, working with Dr J.L. Harley in the Botany Department. Eighteen months' post-doctoral work at Purdue University in Indiana was followed by an antipodean migration to take up a lectureship in the Botany Department at the University of Sydney.

In 1961, still in Sydney, he moved on to the Plant Physiology Unit of CSIRO (Commonwealth Scientific and Industrial Research Organisation) where he became a Senior Research Officer. His globe-trotting ended in 1964 when he returned to Britain to become a lecturer in the Botany Department at Cambridge University. In 1991 he was promoted to Reader, but never took up the post as it was overtaken by his election to the Chair of Botany.

In the wider scientific community he was a member of the Science and Engineering Board of the BBSRC (Biotechnology and Biological Sciences Research Council) and a formidable Chairman of the Plant and Microbial Sciences Board. Ap Rees's commitment to education was absolute. He was an authoritative lecturer and a firm believer in the importance of practical work in the education of a scientist. Among his students he commanded respect and admiration through his natural authority and the excellence of his teaching. He became a Fellow and College Lecturer in Gonville and Caius College in 1965 and remained

a dominant influence in the teaching of biology at Caius until he took up the Chair of Botany in 1991. In 1983 he was awarded the SCD from Cambridge University in recognition of his achievements in research. Between 1986 and 1991 he was a formidable Director of Studies in Biology, once describing his duties as "encouraging the faint-hearted and putting the fear of God into the idle".

Tom ap Rees was not your "typical" don: though he lunched in college almost daily he rarely dined or attended official College Feasts. But he never missed a Matriculation or Graduation Dinner, or other function at which students were entertained. He had precious gifts of gentle humour and the ability to instill self-confidence into his neighbours, whoever they were.

He had prodigious energy and led strictly by example: as Head of Department he gave his full share of lectures - and sat on more than his fair share of committees. He maintained an active group of graduate students and thus he could (and did) respond to grumbles about workdays with a robust "when you are doing as many lectures and sitting on as many committees as I am then you complain". He summarised his management philosophy as a desire to create a sense of unity and "to be as much use to people as I can".

This policy governed his day-to-day approach to university life: he could always find time to help, whether you were a junior undergraduate or a senior member of staff. (Or even a historian colleague with a gardening problem.) The mystery was how he combined this open-door policy with getting so much done; in part he achieved it by being satisfied with the broad overview: sometimes the details needed further attention, but the result was generally right.

To a certain extent, ap Rees kept his professional and personal life separate, though he took piles of work home and frequently entertained students there. Lunch, with his wife Wendy, started with a tour of the fine garden, and continued in a gallery of photographs of mountains. Gardens and mountains were the passions of his private life, his copious knowledge about them contributed to a grand view of all things natural. His enthusiasm for gardens was useful when he was the acting Director of the Cambridge Botanic Garden (1995-96). He was also a proud son of Wales, a rugby enthusiast who somehow remained an optimist, and maintained close links with the Principality throughout his life.

This rich mix of talents and interests was often concealed by his natural modesty. One of us came back in the spring of this year from Gregynog in central Wales, enthusing about the beauty of the gardens, but surprised that the season was 2-3 weeks behind cold Cambridge. "That's because it's 692 feet above sea-level" was the reply: it turned out that for years ap Rees had been informally advising the gardens' Warden.

David Summers, Ed Tanner and Tony Kirby

**Thomas ap Rees**, botanist and plant scientist: born Frome, Somerset 19 October 1930; Lecturer in Botany, Cambridge University 1964-91; Fellow, Gonville and Caius College, Cambridge 1965-91; Professor of Botany and Head of Department of Plant Sciences 1991-96; married 1953 Wendy Holroyde (three sons); died near Cambridge 3 October 1996.



Ap Rees: not your 'typical' don

## Sir Nigel Fisher

Nigel Fisher was one of the most disarming and agreeable of men; yet he possessed political convictions of steel, and a stubborn will to match. Harold Macmillan was a hero to him (he published a biography of him in 1982), but he was totally lacking in Macmillan's subtlety and deviousness. In short, he lacked all of the supposed characteristics of the successful politician, except charm; and this, perhaps, is why he never held more than junior office.

Iain Macleod, of whom Fisher also wrote a biography (in 1973); a much better piece of work than his *Harold Macmillan*, was also a hero, but also a very close friend. Indeed, Macleod was, in one of the most romantic episodes in modern political history, instrumental in saving Fisher's political career. Fisher, like Macleod, was an ardent believer in the Commonwealth. He worked tirelessly for the independence of Commonwealth nations (especially African ones, and above all Uganda). He was not a latter-day imperialist, like the then Marquess of Salisbury, but one of a once influential branch of the Conservative Party which has now dwindled to almost nothing: these were men and women who believed that the Commonwealth offered a way of proceeding down a hopeful path to a bright future.



Fisher: effin' humour

of international and interracial co-operation, of brotherly love. He was intensely, and increasingly, uneasy about the steadily tightening restrictions on immigration from the Commonwealth put forward by governments of both parties. His constituents in Surbiton, however, took a view diametrically opposed to that of their Member, and serious moves were undertaken to deselect him: he told his wife and various friends in the press (including myself) that his political career was over.

Then a letter arrived from Macleod, the Shadow Chancellor. It was short and abrupt, and read, "Dear Nigel, I have told Ted that, if you go, I go too." Fisher was immediately on the telephone, explaining to

Macleod that the departure of the Shadow Chancellor would put in peril all his arduous work in framing a new Conservative economic policy. It was to no avail: Macleod was adamant. However, the party leader, Edward Heath - who cared little for Fisher - had no intention of losing Macleod. The whole weight of Conservative Central Office was brought to bear on the rebels of the Surbiton Conservative Association, and Fisher survived as an MP until his retirement in 1983.

Nigel Fisher was born in 1913, the son of a commander in the Royal Navy who was knighted for his work as an attaché during the First World War (and who then stood as a Liberal candidate in the 1924 election). The marital theme was to persist throughout the son's life, for both his wives were the daughters of soldiers, and he himself was to win distinction in the Second World War. He went to school at Eton, and to university at Trinity College, Cambridge, where he was judged to be a good, if not outstanding, student. In 1935 he married the daughter of the seventh Earl of Lisburne, and thus began a passionate involvement (on the Unionist side) in Northern Irish politics which survived even after his marriage was dissolved in 1952 (his son by that marriage is Mark Fisher, the

Labour MP). This involvement was encouraged by the fact that his second wife, Patricia Smiles (whom he married in 1956), was also an Ulsterwoman, and, indeed, a Westminster MP in the Ulster Unionist interest, from 1955 to 1966.

In 1939 Fisher enlisted in the Welsh Guards, and was commissioned as a second lieutenant. He rose to the rank of captain in 1940, and ended his military career as a major. He fought in the Hook of Holland and in Boulogne in 1940, and was mentioned in dispatches. In 1945 he was part of the Allied invasion of Western Europe, was wounded, and was awarded the Military Cross.

Like so many servicemen of his generation, he was determined to enter politics once the war was over. He fought a hopeless fight in the 1945 general election, but won Hitchin in 1950. He transferred to Surbiton in 1955, and continued when it became Kingston-upon-Thames and Surbiton in 1974. For all that his liberal views on national affairs excited hostility in the constituency, he was an assiduous and well-liked Member, though his heart lay elsewhere: within the narrow boundaries of the community he represented.

He threw all his energies into the Conservative Party itself, and served two terms on its

National Executive (1945-47 and 1973-83). Those who did not like him thought him arrogant: Reginald Maudling once described him as "a jumped up little sod". It is certain that he had no small opinion of his own abilities, and that he thought that he deserved a major role on the national stage. But I who differed from him on pretty well everything except his admiration for Iain Macleod, never found him arrogant, nor unwilling to engage in civilised debate from those whose views differed from his own. He could be prickly, certainly, but a great deal less so than many of his colleagues.

Though he served on a parliamentary delegation to Scandinavia in 1950, his attention was really focused on Africa and the West Indies, with a passing concern for Canada. He took part in countless Commonwealth Parliamentary Association missions to, and deputations for the interests of, Commonwealth countries.

Having served as Parliamentary Private Secretary to the Minister of Food and the Home Secretary, he became Parliamentary Under-Secretary at the Colonial Office in 1962 and, when it was merged into the Commonwealth Office the following year, he went along too; and he continued his duties in opposition after the general election defeat of 1964.

It took Fisher a long time to accept the fact that ministerial preferment was not again going to come his way. His only chance, probably, would have been to advance under the protection and patronage of Macleod, but Macleod died within days of the Conservative victory in the general election of 1970, the only Chancellor since Lord Randolph Churchill never to deliver a Budget speech. Nigel Fisher was a man of the highest principles, blessed with effin' humour and a warm heart. If he never achieved the glittering prizes he thought were rightfully his, he did achieve goodness.

Patrick Cosgrave

**Nigel Thomas Lovelidge Fisher**, politician: born London 14 July 1913; MC 1945; MP (Conservative) for Hitchin, Hitchin 1950-55, Surbiton 1955-74, Kingston-upon-Thames, Surbiton 1974-83; PPS to the Minister of Food 1951-54, to the Home Secretary 1954-57; Parliamentary Under-Secretary of State for the Colonies 1962-63, for Commonwealth Relations and for the Colonies 1963-64; opposition spokesman for Commonwealth affairs 1964-66; Kt 1974; married 1953 Lady Gloria Vaughan (one son, one daughter; marriage dissolved 1952); 1956 Patricia Smiles (died 1995); died Chilton, Buckinghamshire 9 October 1996.

## Births, Marriages &amp; Deaths

## BIRTHS

**TEARE:** On 22 September 1996, to Karen (nee Bull) and Philip, a son, Cosmo Richard.

## DEATHS

**BANDINI:** Luigi, suddenly on 7 October, much-loved husband, father and brother. Family funeral to take place in Italy. Memorial service will be announced.

**DEKON:** On 8 October 1996, G. Joly Dron DMT aged 87, of Eyre, Glasgow and Dublin, much-loved father and grandfather, peacefully in Tucson, Arizona, where a memorial will be held.

**READER HARRIS:** Dame Diana, on 7 October 1996, peacefully at home in Salisbury, aged 83 years. Deeply loved by her family Sue, Jane, Joanna, Christopher, Michael, Sarah and their families and her many friends worldwide. Funeral service at Salisbury Cathedral at 12 noon on Thursday 17 October 1996. All are welcome. Followed by a private cremation later. A memorial service will be held in Sherborne Abbey at a date to be announced. Family flowers only, donations for Church Missionary Society and/or Christian Aid, c/o L.N. Newman Ltd, Griffin House, 55 Winchester Street, Salisbury, Wiltshire SP1 1HL.

For Gazette BIRTHS, MARRIAGES & DEATHS, write to the Gazette Editor, The Independent, 1 Canaan Square, Canary Wharf, London E14 3DL, or telephone 0171-253 2811 (fax 0171-253 2810). Charges are £5.00 a line (VAT extra).

## Birthdays

**Mr Lance Cairns**, cricketer, 47; **Sir John Cassels**, former Director-General, National Economic Development Office, 68; **Mr Winston S. Churchill** MP, 96; **Mr Charles Dance**, actor, 50; **Miss Laura Davies**, golfer, 33; **Mrs Karlene Davis**, Deputy General Secretary, Royal College of Midwives, 50; **Mr Ted Edgar**, show jumper, 61; **Miss Fiona Fulleston**, actress, 40; **The Right Rev Alastair Haggart**, former Bishop of Edinburgh, 81; **Sir Peter Kemp**, former civil servant, 62; **Lord Kincaid**, former senator of the College of Justice in Scotland, 78; **Professor John Large**, acoustic engineer, 66; **Mr Daniel Massey**, actor, 63; **Professor Howard Newby**, Vice-Chancellor, Southampton University, 49; **Mr Nicholas Parsons**, quizmaster on radio and television, 68; **The Right Rev Kenneth Pillar**, former Suffragan Bishop of Hereford, 72; **Mr Harold Pinter**, playwright, 66; **Professor Brian Smith**, Principal, University of Wales, College of Cardiff, 63; **The Earl of Stockton**, publisher, 53; **Mr Chris Tarrant**, broadcaster, 50; **Mr Frank H. Taylor**, former MP and chartered accountant, 89; **Mr Richard Thompson**, Lord Lieutenant of Surrey, 74; **Mr Madge Una**, rock singer, 43; **Mr Ben Vereen**, actor, 50; **Mr Willard White**, baritone, 50.

## Anniversaries

**Births:** Jean-Anne Marie Watteau, painter, 1644; Johann Ludwig Krebs, composer, 1713; Henry Cavendish, physicist and chemist, 1731; Benjamin West, painter, 1738; Hugh Miller, geologist and writer, 1802; Giuseppe Fortunio Francesco Verdi, compos-

er, 1813; Sir John Simon, public health pioneer, 1816; Stephanus Johannes Paulus Kruger, farmer and statesman, 1825; Fridtjof Nansen, explorer and statesman, 1861; Helen Hayes (Helen Hayes Brown), stage and screen actress, 1900; Alberto Giacometti, sculptor, 1901; Theodoros Spharopoul, pianist and pioneer of "top", 1916; Beatrice Pia Filippo Lipi, painter, 1469; Edith Piaf (Edith Giovanna Gassion), singer, 1933; Sir Ralph David Richardson, actor, 1933; Yul Brynner (Yul Brynner), film actor, 1985; George Orson Welles, actor and producer, 1985; Pinaud Raitner, composer, 1986. On this day: the population of Tristan da Cunha was evacuated from the island, following a volcanic eruption, 1961; Fiji became independent, 1970; Sir John Bagnall became Poet Laureate, 1972 after being fined \$10,000 for income tax evasion. Spinoza resigned as US Vice-President, 1973; in the General Election, Labour was returned with an overall majority of three, 1974. Today is the Feast Day of St Cerbonius, St Daniel, Saints Eulagius and Eutimius, St Francis Borgia, St Geron, St Manabharop and St Paulinus of York.

## Lectures

**British Museum:** Carol Macleod, "Imperial China: Qin and Han", 11.30pm.  
**Victoria and Albert Museum:** Paul Harrison, "Riddles of the Great Exhibition", 2.30pm.  
**Royal Society (Zeneca Lecture):** Professor Robert Young, "New Materials: fact or fantasy?", 5.30pm.  
**London School of Economics (Chil-**

**ford Barclay Enterprise Lecture):** Professor John Kay, "The Stakeholder Society: What is its True Meaning?", 5.30pm.

## United Medical and Dental Schools

**Dr Malcolm Godfrey**, Chairman of the Council of Governors of the United Medical and Dental Schools of Guy's and St Thomas's Hospitals, presided yesterday at a ceremony in Southwark Cathedral, to award UMDS Honorary Fellowships. The Fellowships were awarded to Mr Donald Bompas, Professor Walter Holland, Mr Peter Lundgren, Dr Richard Ross, Professor Jack Tulley and Mr Victor Wazeev. A reception was held in the Guildhall Hall followed by a dinner in the Governors' Hall at St Thomas' Hospital.

## ROYAL ENGAGEMENTS

The Queen, accompanied by The Duke of Edinburgh, will attend the annual service of remembrance at Westminster Abbey, London SW1, commemorating the fallen victims of our country. The Duke of Edinburgh, President and Honorary Life Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce, presents the 1996 Albert Medal and Gold Medal at 8.30am at St John's Church, London WC2. Princess Margaret presides at the Annual Council Meeting of the National Society for the Prevention of Cruelty to Children at the Barbican Centre, London EC2. Princess Alexandra, Hereditary Lady, will inaugurate the new building of the National Society for the Prevention of Cruelty to Children at the Barbican Centre, London EC2. Princess Alexandra, Hereditary Lady, will inaugurate the new building of the National Society for the Prevention of Cruelty to Children at the Barbican Centre, London EC2.

**Changing of the Guard** The Household Cavalry Mounted Regiment mounts the Queen's Life Guard in Horse Guards, 11am.

## Planning refusal for gypsy caravans upheld

## LAW REPORT

10 October 1996

**Buckley v United Kingdom** (23/1996/29615); *European Court of Human Rights*, 26 September 1996.

The refusal of planning permission to enable a gypsy to live in caravans stationed on her own land did not constitute unjustified interference with her right, under article 8 of the European Convention on Human Rights, to respect for her home.

The European Court of Human Rights unanimously held that article 8 applied to the case of the applicant, June Buckley, but ruled by a majority of six votes to three that there had been no violation of that article.

Article 8 provided: 1. Everyone has the right to respect for his private and family life, his home and his correspondence. 2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society...

Ms Buckley lived with her three children in caravans parked on land owned by her off Meadow Drive, Wellingham, south Cambridgeshire. Her family had for many generations lived as gypsies in the south Cambridgeshire area. She had lived in caravans all her life.

In 1988 she acquired a plot of land on which she moved three caravans. In 1989 she applied retrospectively to South Cambridgeshire District Council for planning permission. This was refused and the council issued an enforcement notice requiring her caravans to be removed. An appeal to the Secretary of State for the Environment was dismissed in April 1991.

She was subsequently prosecuted and fined for failure to comply with the enforcement notice. A further application for planning permission, made in September 1994, was also refused and a further appeal to the Secretary of State dismissed.

Ms Buckley contended that she was prevented from living with her family in caravans on her own land and from following the traditional life-style of a gypsy, contrary to article 8 of the Convention.

**Nickolas Bratton QC**, delegate for the Commission, Peter Duffy and E. Jones (Liaison Committee) for the applicant.

The court ruled that despite the fact that the applicant had herself acted in contravention of national law, the case concerned her "right to respect for [her]... home" and the refusal of planning permission constituted "interference by a public authority" with her exercise of that right.

The question was whether that interference was "necessary in a democratic society". The interests of the community were to be balanced against the applicant's right to respect for her home, a right which was pertinent to her and her children's personal security and wellbeing.

The law governing the decision-making process leading to the contested decision had entitled the applicant to appeal to the Secretary of State. The appeal procedure comprised an assessment by a qualified independent inspector who had seen the land for herself and consid-

ered representations by the applicant and the district council. The applicant's special needs as a gypsy following a traditional life-style were taken into account, as was the shortage of gypsy caravan sites in the area.

The applicant's interest in being allowed to continue living on her land had been weighed against the general interest in conforming to planning policy. The applicant had been offered alternative accommodation on a nearby official caravan site and, although the location was less satisfactory than her present dwelling, article 8 did not allow individuals' preferences as to their place of residence to override the general interest.

The applicant had been fined relatively small sums but had not been forcibly evicted. In the circumstances, the court considered that proper regard had been had to her predicament, and that the reasons relied on by planning authorities were relevant and sufficient, for the purposes of article 8, to justify the resultant interference with her exercise of the right to respect for her home.

Paul Magrath, Barrister

JP 10/10/96



So, how shall we put it? What about... **YEAH!!! IT WOZ THE SUN WOT MUFFED IT!!!**

A political cartoon by Ewan Morrison titled "AIR OF DOOM". The scene is set at the entrance to the 1998 Conservative Party Conference. A large sign above the entrance reads "WELCOME TO THE 1998 CONSERVATIVE PARTY CONFERENCE". To the left, a sign on a building says "Bic". A sign on a fence in the foreground reads "TIGHT SECURITY (TO KEEP DELEGATES IN?)". In the background, a sign on a building says "AIR OF DOOM". A sign on a building in the foreground says "I NEED A DRINK!". A sign on a building in the background says "I COULDN'T GET THE TELEGRAPH THE NUMBER OF THE EXPRESS". A sign on a building in the background says "DAMN MELBOR CHAMBER OF A PRANK RIGHT AWAY". A sign on a building in the background says "I HAD SOME TROUBLE GETTING MY CAR GETTING PARKED". A sign on a building in the background says "DON'T YOU KNOW HOW I FEEL?". A sign on a building in the background says "HAVE YOU ANY ALTERNATIVE PROGRAM?". A sign on a building in the background says "WHITIE MALL SAYS HE'S A CARTONIST". A sign on a building in the background says "NICE POLICE". A sign on a building in the background says "YOU DO REALISE WHY WE HAVE TO DO THIS DON'T YOU?". A sign on a building in the background says "POLICE". A sign on a building in the background says "UNIONIST". A sign on a building in the background says "I NEED A DRINK!".

**Isle of Grain**  
Sir: I enjoyed your article on the Skye Bridge ("Toll rises in Skye's battle for freedom road", 7 October). The reason that there are no tolls on the bridge to the Isle of Grain is that there is no bridge. Grain is attached to the Kent mainland and not separated by water.

**RALPH JONES**  
*Isle of Grain, Kent*



## analysis

Women have traditionally voted Tory. Now, they're turning to new Labour. But can Tony Blair hold their allegiance? Helen Wilkinson decodes new surveys that might hold the answer



Women have changed, and have new role models (left to right): Juliet Stevenson, Barbara Follett, Cherie Blair, Carol Galley, Anita Roddick and Debbie Moore

# The voter changes her mind

It is a hard fact for feminists to swallow and one that might have horrified some of the suffragettes. But if the electorate had only been made up of women, the Conservatives would have been in power continuously since the Second World War. This bias to the right – which gave the Tories a 9 per cent lead among women at the last election – has been one of the hidden constants of British politics.

But if recent polls are to be believed, the Tories are not only losing their lead among women, they are also seeing a catastrophic fall of support among young women, who may well carry their antipathy to the Tories throughout their life.

New data published today by Demos and the Fawcett Society shows just how much ground the Tories have lost. An analysis of MORI's poll data shows that of those women who have decided how they are going to vote in the next general election, only 31 per cent intend to vote Conservative, compared with 51 per cent for Labour. While the Tories can take some

comfort from the fact that Tony Blair's satisfaction rating among women has fallen dramatically in the past six months – from plus 23 to plus 2 – John Major remains overwhelmingly unpopular among women, with a rating of minus 29.

But it is the generational shift that is most stark. If you analyse the party's support across each age group, support for Labour and the Tories among men is roughly constant. Among women, by contrast, there is a massive skew, with young women overwhelmingly supporting Labour, by 68 per cent to 18 per cent, compared with a Labour lead of only 5 per cent in the oldest age group.

In the short run this may not be as serious as it looks. There are far more women over 55 than in the 18 to 24 band – indeed they account for nearly a fifth of the whole electorate. But in the long run, it suggests that the Tories may have lost the capacity to reproduce their support. With only a few months to go before the general election, the Tories' secret weapon has ceased working. Many explanations have been

offered for the Tories' traditional advantage among women. Although women tend to be more concerned with issues that might be deemed natural territory for Labour – like health and education – at a deeper level the Conservatives may have better exemplified women's values: their concerns for reliability and security, stable communities and strong families.

This identification has not only won the Tories millions of votes over the years, it has also attracted into the party thousands of activists, modern equivalents of the Primrose League, which at the beginning of this century was one of the most effective of all mass movements. At the top, power may have been held by the men, but the Conservatives could nevertheless make a genuine claim to be a more feminised party than a Labour Party steeped in a macho trade union culture.

What has changed? For older women, there is undoubtedly a sense of betrayal. Despite the Conservatives' rhetoric of family values, strong communities and its promise to be the party of law and order, the reality is that they have governed a country which now has one of the highest divorce rates in Europe, high levels of crime and a pervasive sense that public spaces are no longer safe.

But it's also that the Tories have failed to address the fears of many older women over pensions and long-term care: the latter has been a conspicuous failure, with earlier promises to come up with a bold new policy now apparently on ice. Older women are also heavily reliant on the NHS and on local transport services, particularly buses – neither a glowing success story for the Tories.

Meanwhile, new Labour has clearly identified older women as a key swing group. Tessa Jowell, former opposition spokesperson for women, led an effective campaign visiting women's institutes and listening to older women's concerns. Blair's incursions into enemy territory – law and order, family values and strong communities – have not just been an explicit attempt to woo middle England and Ford Sierra men. They have also been sending reassuring signals to older generations of women that Labour is now the party of security and reliability.

But the more fundamental problem for the Tories is that they have failed to keep up with the changing lives of a younger generation of women. My research clearly shows that young women today are more oriented to success than their parents, and significantly more feminist in their values, even if they often do not adopt the label. Many are not just working to earn money but are busy carving out careers.

Ironically, the very success of Margaret Thatcher in offering a role model of female achievement has encouraged a generation of women to reject the older Tory assumption that women should sit quietly in the background, devoting themselves to their homes and children. High-profile role models such as Body Shop's Anita Roddick, the city high-flyer Carol Galley and Dehlie Moore of Pineapple show that it is possible for a woman to succeed in the business world. Cherie Blair, too, shows that it is possible to successfully combine career and motherhood as well demonstrating that there is nothing to stop a professional woman from earning more than her husband. And high-profile Labour-supporting women, including the actress Juliet Stevenson and the style guru Barbara Follett, make clear the idealisation of success and new Labour.

Instead of harnessing these ambitions, the Tories have been sending contrary signals. The rhetoric of back to basics seemed to suggest that the

Tories wanted to put women back in the kitchen, rather than celebrating the feminisation of the economy which they had presided over. Worse, the party itself has consistently failed to select women candidates in reasonable numbers and to promote women to the upper reaches of the party, an issue that is now causing discontent in the ranks of Tory women. Conservative Central Office under the stewardship of vice-chair Dame Angela Rumbold was reported some months back to be encouraging local associations to look kindly on female candidates to increase women's visibility in the party, but so far it appears to have had little success.

Labour has better understood the importance of these underlying shifts in the power of men and women. However crude and unpopular quotas have been, they did prove extraordinarily effective at changing the party's complexion. After the next election almost a third of the Parliamentary Labour Party is likely to be women, whereas the Tories may end up

with fewer women than they have now.

But the real failing of the Conservatives is one of political strategy. Unlike the other parties, the Conservatives have been reluctant to champion women's issues and have failed to adequately develop policies for working women. The costs of this are fast becoming apparent. Child care is clearly a vote winner for many women as are other issues – such as low pay, part-time work, the long-hours culture and the need to balance work and family life. Elsewhere, politicians who have addressed these issues have won great dividends. President Clinton, for example, made a direct appeal to working women in his first presidential election campaign. He promised some family leave and put together a package of policies that would benefit working women. They subsequently rewarded him with their votes. In his second campaign, he has gone a step further, expanding parental and family leave and offering more policies for working women. (For the past six months at least the President's support among women has been much greater than among men, between 10 to 20 percentage points depending upon the poll, leaving Dole out in the cold as far as women are concerned.) Here in Britain, Labour and Liberal Democrats have taken the lesson to heart by making policy commitments to parental leave and affordable child care.

The danger for the Tories is that they increasingly look old and out of touch, unable to attract a younger generation either to vote or to join, let

alone to opt for a political career. A recent study of the membership found that the average age of a Conservative member is now 61. More than half are over 65, and only 5 per cent are under 35. Meanwhile, Labour under Tony Blair has transformed itself from an ageing to a more youthful party. The majority of new members are under 40, and at last week's conference it was striking that many delegates were there for the first time over.

You might expect the Tories to be panicking. But instead one senses a certain complacency, an assumption that the Conservatives will naturally remain the party of women. The weight in the electorate of older women, still attached to more traditional values, may encourage this complacency. But the failure to recognise that Thatcher's Children – the generation of women brought up under Conservative rule who expect equality with men as a matter of course, and have clear needs and priorities which are not being addressed – must be unwise in the long term, not least because most people take their party allegiance with them throughout their life. Just as in the late Seventies Labour neglected its working-class base and lost power for a generation, so in the Nineties it may be that the Conservatives are being similarly negligent with their base among women voters.

But other parties should also be wary of complacency. Women are not impressed by often conflicting messages that come from other leaders' mouths.

When Paddy Ashdown (who, incidentally, is the least liked party leader among women) launched the Liberal Democrat policy statement on women's issues Sunday before his speech to the Liberal Democrat conference, he told his audience that it was the most important document that week. Two days later he failed to even mention it in his conference speech. A week later Tony Blair had the potential to connect with many women's frustrated ambitions in his call for an "age of achievement" – but the great majority of his examples and his metaphors (including the football imagery of "Labour coming home") were male.

Women are politically promiscuous. Almost a quarter have not yet decided how they'll vote in the next election. And all the evidence shows that while many women don't make up their minds until the very last moment, in part because they are more cautious about their choices than men, they turn out to vote in greater numbers.

For this reason, the Tories' challenge is to take the other parties on with practical policies that will celebrate and consolidate the dawn of an "age of achievement" for women that they have presided over, and which has brought unprecedented numbers of women into the professions, into business, and into higher education.

Helen Wilkinson is a project director at Demos. She will be speaking at lunchtime today at a fringe meeting on Winning Women's Votes in Bournemouth.

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## The melancholy balladeer has a field day



Miles Kingston

As today is National Poetry Day, I feel I ought to enter into the spirit of things by bringing you some modern folk verse. Regular readers will know that I am a great collector of motorway ballads, these being folk ballads, often quite long ones, which I get from people at service areas or to whom I give lifts. Today's verse was told me by a melancholy man whom I picked up at Leigh Delamere on the way to London and who spent a

long time sniffing before he recited these verses.

The fields beside the motorway  
Are often full of straw and hay,  
Though which is which I do not know  
As I am an urban so-and-so,  
So ignorant of different crops

I can't tell maize or flax from hops  
But yet they make a glorious sight.  
These fields, when they are coloured white  
(Which means, I think, the flowering broad bean)  
Or blue (is that flax?) or just plain green.

In springtime, when it's brilliant yellow,  
"Rape!" is what you'll hear me bellow.  
In autumn, when stubble smoke drifts by,  
"Bloody farmers!" you'll hear me cry.

Not that you often see a farmer,  
Oo foot or in his tractor's amour,  
These fields are always empty of folk.  
A lonely ash or big old oak

Is often the only thing you see  
Breaking the field's monotony.  
Except in summer, when they place  
Those huge great sprinklers on its face  
To shoot out loads of water –  
Whooosh!

And give the thirsty plants a douche.  
(It seems as if they never can  
Be subject to a hosepipe ban.  
How can farmers get permission  
For such endless water emission?)

Perhaps it's easier to make an oasis  
If you've got friends in higher places...  
Yes, when I'm driving down the M  
And suffering from motorway tedium,  
I often let my eyesight wander  
And play upon the great, green yonder,  
Away from the road, where it should be,  
And roam around the scenery  
In search of pleasure for the eye,  
In fields of wheat or oats or rye.

Rippling like the far-off prairie  
Or full of cattle for the dairy...  
But there's one field I can't abide.  
A field past which I quickly slide,  
A field from which I avert my gaze,  
A field which fills me with malaise,  
And that's the field which now stands bare  
But once had a horse, and jumps, in there.  
A field where a rusting petrol can  
Shows where the horse jumps once began  
Shows where a teenage girl and horse  
Lived for jumping round the course.  
Betjeman country! Thelwell land!  
Where horses are lovely and girls are grand!  
Where a groom is a chap that holds the halter  
And not a man who stands at the altar.  
Where the horse is centre of the universe  
And parents are glad it's nothing worse.  
For while a girl is keeo on horses,

There won't be marriages and divorces.  
Ah, this is the stuff of girlish dreams,  
Where the hay lies thick and the harness gleams!  
Once the grass was short and kempt,  
And the pony was groomed, and dreams were dreamt  
Of horse events and three-day shows,  
But now the seeded dandelion blows  
And the poles lie rotting on the ground,  
Awaiting in vain another round.  
The grass grows long and the horse grows stout,  
And the teenage girl is no longer about.  
No longer the pairing of girl and pony.  
For she is off with her boyfriend, Tony.

At this point the man broke off and burst into tears. When I asked him gently if he, too, had lost a daughter, he said no, but he had lost several thousand pounds equipping one with horse and fields and jumps, and every time he saw one of these abandoned fields, he sobbed at the thought of all that money wasted.

JOHN COLEMAN



## Baloney, nonsense – and the truth about Ken Clarke

I was always going to be the most difficult debate of the week. Kenneth Clarke faces the Tory conference this morning having worked harder on his speech than in any previous year. But is the party ready to listen? How they receive him will test to destruction whether the Tories still have a will to win.

In the illusionist world of Tory right-wing demonology, Kenneth Clarke is hopelessly committed to the big state, likes taunting his opponents with his distaste for unaffordable tax cuts, and is all too dismissive of calls to reduce spending to well below 40 per cent of national income. The reality could scarcely be more different. In the actual, rather than the rhetorical, Cabinet battle, the roles are reversed. Clarke's current struggle to cut spending to make room for tax cuts is meeting some of the stiffest resistance from those most ideologically opposed to him – Peter Lilley at Social Security, Michael Portillo at Defence and Michael Howard at the Home Office.

In the illusory world, these ministers are state shrinkers to a man; in the real world they run big spending departments and are fighting for their budgets against a hard-nosed Chancellor who wants to contain them. It's a pretty safe bet that Clarke will today specify education, health and police as the main exceptions to his determination to hear down heavily on spending. That doesn't, for example, leave much room for the expensive prison building programme to which Howard is personally committed.

To square this circle some elements of the right have a new and more sophisticated theory. Clarke wouldn't be as irritatingly orthodox about the tax and spending equation in the run-up to the election if he didn't have a secret agenda – to bring down Britain's budget deficit to three per cent of GDP simply to meet the Maastricht criterion for EMU membership.

This, too, is baloney. Clarke is confident that Britain is at least as well placed to meet the terms as its other partners. If the European economy prospers and grows, Britain's will too. If it doesn't, then Germany and France also are going to be in deep trouble. In fact Clarke's reasons have everything to do with the British economy. A large part of today's speech will no doubt be devoted to arguing – with some justice – that it is a generation or more since a government has entered an election with such good economic prospects. But debt interest is currently costing more than the entire defence budget. Britain's debt to GDP ratio, at around 53 per cent, is well below the EMU criterion of 60 per cent. The reasons he wants it to start falling are entirely domestic.

But the campaign against Clarke over the single currency isn't illusion-free either. It isn't an illusion that he would like to see Britain in a single currency – though he means it when he says that he could oppose entry if the Franco-Ger-



Donald Macintyre

The Chancellor's huge strength as an electoral asset depends on his credible language. People believe him

man axis decided to fudge Maastricht in order to force through EMU for political reasons before their economies are ready. As it happens, the checkered part of the BBC interview which so irritated the Eurosceptics wasn't his loosely worded gibe that it would be "pathetic" to rule out now British EMU entry in the first wave. It was the virtually unnoticed implication at the end of it that Britain would have to decide after the election between joining the first-class countries in EMU or staying with the second-class countries outside it. But it was scarcely surprising that he hit back. The Eurosceptics had broken the truce agreed in April. What's more, as the more possible sceptics see, Kenneth Clarke's huge strength as an electoral asset depends on his credible use of language about the economy. Because he speaks candidly – if sometimes loosely – people believe him. He can't speak like a human being on the economy and like a robot on Europe.

No, the most dangerous illusion is that the issue can be reopened between now and polling day without terminal damage to the Tories' electoral hopes – hopes which after yesterday's impressive show of unity ought to be flickering back into life. The illusion takes many forms. One is that Major will declare his personal opposition to a single currency in his election address – the so-called Huntingdon declaration. To understand how suicidal that would be, imagine this one question to Clarke on the stump: "Do you agree with what the Prime Minister says in his election address? Forget it. Another is that for the Government to rule out a single currency would suddenly guarantee election victory. This week's Gallup poll for the *Daily Telegraph* showed majority support among voters – including Tory voters – for keeping the options open. And the third is that it won't be credible to go through the election with an open mind because the EMU decision will be only "weeks" away. There is considerable debate about EMU timing within the Treasury. An extreme view is that Britain could signify its decision as late as 1 January 1999. But even if that is unrealistic, it is now likely that the timetable will slip by several months. And with it the obscure stipulation in the Maastricht treaty that Britain "may" indicate its decision to join by the end of 1997.

There were clear signs yesterday of the Tory party gradually beginning to reassemble itself as the formidable electoral machine it is. The signal success of John Major's face-to-face conversation with the conference is one. The warm reception Malcolm Rifkind got for his courageous warning that it would not be in the national interest to rule out EMU is another. If the conference sticks to this form it won't turn today's economic debate into a bear garden. The party will have kept alive a glimmer of hope that against all the odds it could still win. But for how long?

## Never mind Oxfam, DHL can deliver

by William Shawcross

How far can pity be privatised and how far can or should the market dominate disaster relief? These are questions that increasingly vex the international aid community.

They have just been examined in detail at an extraordinary conference in the city that touts itself as "the world's humanitarian capital" – Geneva. At "WorldAid 96" commerce and charity jostled somewhat nervously together.

WorldAid 96 was a controversial, bizarre, slightly macabre and poignant meeting of hard-headed businessmen, supposedly altruistic do-gooders from charities and non-governmental organisations (NGOs) such as Oxfam, Médecins Sans Frontières, government officials, soldiers and journalists.

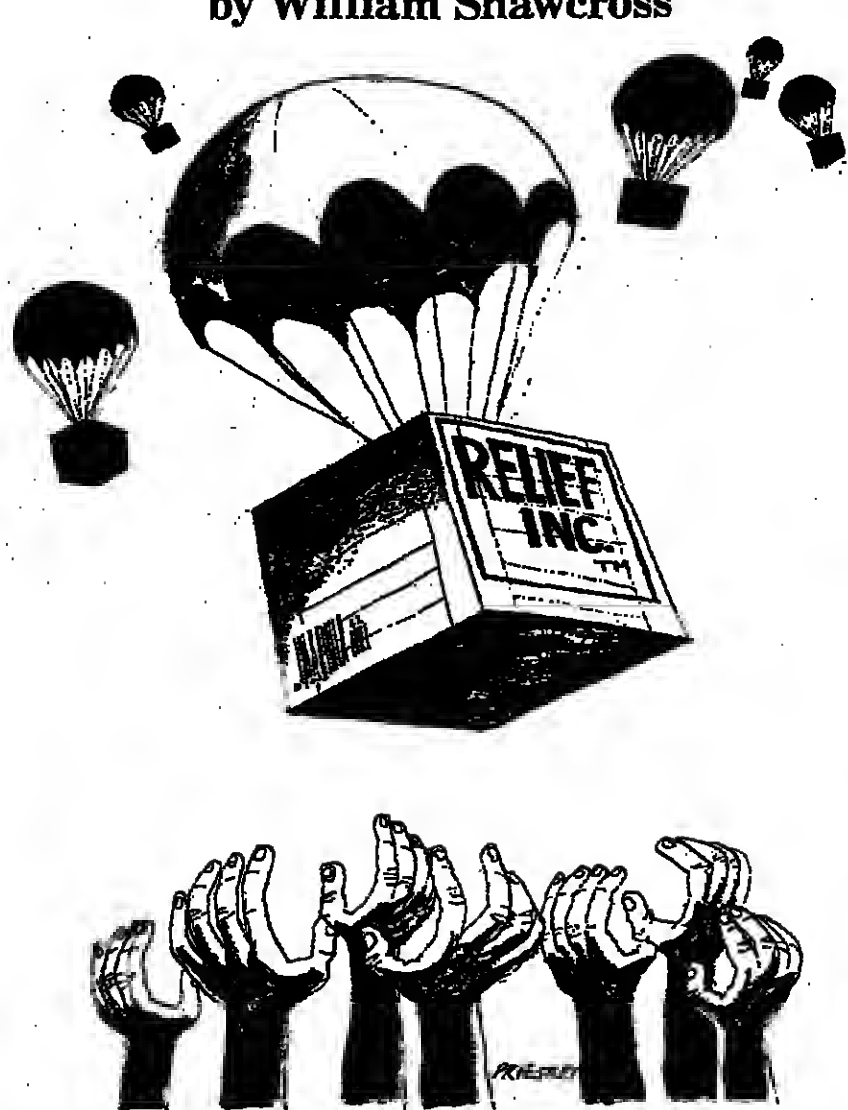
The scourge of land mines was an important focus. Outside the exhibition stood a vast white tank-like machine that was designed to flail land mines into exploding, underneath posters of a semi-naked stripper advertising a Geneva nightclub.

Inside, one-legged models demonstrated how hundreds of thousands of poor people in Afghanistan, Angola and Cambodia who have had their legs blown off can strap on and take off the latest plastic substitutes. Other stands were filled with hi-tech water purifiers, cars, communications equipment, high-protein biscuits, and vastly complicated mobile kitchens from Sweden.

The theme of the meeting (troubling to the humanitarian) was embodied in the question: "Could DHL deliver food more cheaply than the United Nations or Save the Children?" If so, how long can the charities survive?

Since the end of the Cold War there have been literally scores of vicious little and not so little conflicts around the world. At least 50 are raging today. About 300 million people in the world are hit by war and disaster each year. These victims are the consumers for whom the participants of WorldAid compete.

In 1971, emergency aid amounted to \$200m worldwide. In 1994, Rwanda alone cost more than \$1bn. Last year some \$8bn was spent on disaster relief and peacekeeping. Privatisation and the markets are now the only games in town – in any town around the world – says Nick Cater, an editor of *Crossings Global Report*, a journal that takes a sceptical look at the humanitarian business.



Water from Evian, banking from Amex.  
If private companies can handle aid for the poor better than the charities, let them do it

He argues that it is the aid industry's job to take the rough edges off capitalism.

He says that "old aid" depended on colonialism, left-wing solidarity, guilt and optimism. Now the end of the Cold War, galloping investment in emerging markets and a new world that is private and Pacific-based spells the end of all that.

Good motives are not enough these days.

WorldAid 96 was like any other trade show – except that this one dealt with combating the weapons of war and foiling the tools of death and deprivation. The exhibition was pushed by

the Nordic governments and aid agencies apparently anxious to expand their share of the international market.

It was arranged by the International Council of Voluntary Agencies (ICVA); and attracted 274 companies, 45 aid journalists who make their livings reporting the pity of modern disasters.

Some humanitarian officials were nervous at the open display of the marriage of business and charity, and refused to attend or to have their names used. They think of themselves as dealing in life, death and ethics – areas in which they feel

the profit motive should have no place. Others are more robust, acknowledging that aid is business, and always will be.

Moreover, the total aid money available is now falling from the high point of the early Nineties. That fall has introduced a note of urgency, if not panic, for all the WorldAid 96 participants.

Aid agencies must be much more efficient. That means not only that they have to cut costs, but must deliver a better product to their consumers, the 300 million affected by disaster.

Not many agencies have yet understood enough of this. But

the companies have. That is why they were at WorldAid 96 and are lobbying donor governments, armies, the UN, trying to sell their wares and their systems. In this privatised and privatising world, says Cater, the real question is why America's highest discount chain, Wal-Mart, cannot supply the food, Evian the water and American Express the banking for refugees.

This sort of talk fills the old aid agencies with horror. But if all the boring transport and delivery services were privatised, the NGOs could then concentrate on triage, on healing and protecting their "customers" and the other more obviously "moral" decisions they think they are best at.

And, in fact, the gulf between business and aid officials is not nearly as wide as the latter like to think. NGOs have at least three different roles – they must provide assistance, act as witnesses to awful events and they also have to raise money and their own profiles.

And so they compete with each other, just as the commercial suppliers at the exhibition compete with each other, too. Like any car company, they have their own designer logos, flags, T-shirts, watches, flak jackets and other branded apparel of the television age.

About 200 different NGOs flocked to Rwanda after the genocide of 1994. Some of them did marvellous work but others were absolutely hopeless, had no experience of the area and sent people with zero training. They were there only to be able to be seen on television back home and thus to raise money.

At the higher end of the scale, during the war in Bosnia, the French aid group Equilibre had both a profit and a non-profit arm: it delivered food to Bosnia and then filled the trucks with goods produced in former Yugoslavia for sale in France. That seemed a good mix of the profit motive and altruism.

In a thoughtful discussion of all these issues, Michael Taylor of Christian Aid suggested that, "the morals of ought spring out of our philosophic understanding of what is." Tasks should be given to whoever can carry them out most effectively on behalf of the victims.

What seems certain is that by the time of WorldAid 98 the concept of "Relief Inc" will be far more widely accepted than today. By then, everything in camps will be bar-coded and refugees will probably have credit cards. There will be no other way.

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zines

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CBS

Had dinner with John Lahr, the *New Yorker* scribe, drama critic and biographer of Joe Orton. Mr Lahr has recently turned down the chance of writing the life of Rosalind Wiseman, with the co-operation of the lady herself, and ensuring himself a pension of half a million dollars. (It seems he couldn't guarantee the co-operation of



Rosalind: parental choice

Ms Barr's parents, without whose testimony the project was fatally compromised.) A delightful fellow, Mr Lahr, with a nice line in family anecdotes. Once, when the Lahr family was dining with a party of friends that included Harold Pinter, Lahr's young son, Chris, after listening to the gruffly martial playwright for a moment, took his father to one side.

"Daddy," he said, "is that man a policeman?" "No, son," said Lahr. "He is a very fine writer."

"Oh," said the boy. Then a thought struck him. "Can he be a writer?"

amazed by the way British people don't roll their credits at the dinner table. "Since work is the only signifier of class and success in America, New Yorkers will tell you just how important they are, and what they do, in the first few sentences. They get alarmed by the way British people won't do that." And get this: although it may be a gaffe to ask a famous film director what exactly he does, it's far worse not to ask, if you don't know.

Exhausting, eh? But I'm with the Yanks on this one. How often has one sat chatting about the shortcomings of the Eurostar or the price of Safeway's own-brand jelly beans with a fat biker in a wispy moustache, only to discover later that it was Sir Harrison Birtwistle? Well never, actually. But a friend reports that the other day she was seated next to a well-scrubbed public-schoolboy called Nick in a wine bar by the British Museum. They talked about the weather, Henry James and the menu. She asked, "What do you do?" "I run a little gallery," "Sort of an art gallery?" "That sort of thing." She thought of those tiny little sculpture emporia in the



One's little gallery

john  
walsh

The British should learn how to roll  
their credits at the dinner table

Fortobello Road. Did he get many people coming in? "Oh, one or two," he said vaguely, and seemed relieved to return to discussing the tennis. Only as she watched his retreating figure crossing Pied Bull Yard did she learn he was Mr Nicholas Penny, curator of the little National.

On my desk lands a copy of *Playground Memories*, a privately printed book of celebrity reminiscences of schooldays, compiled to raise cash for two schools in Amersham, Buckinghamshire, and introduced by the increasingly nice Mr Major. As with all such compilations, it features blockish confessions from



sporting types (Geoff Hurst admits to being taken to court and fined £1 for kicking tennis balls over a neighbour's garden wall) and staggeringly boring contributions from MPs.

Either they're the pipe-smoking, ruminative type ("I wonder when the word 'playground' was first used? It has a sort of late Victorian feel about it" – Kenneth Baker) or else the humourless-bureaucratic style ("Effective school ground use is one of the greatest gifts we can give our children" – Paddy Ashdown). But leaving through, one pulls up short at the contribution by Michael Heseltine. He has nothing to report about schooldays, the maintenance of playgrounds or anything else.

Instead, he tells the thunderstruck scholars of Amersham about an angling competition he entered in 1941. Using a rod and bread-paste bait, he fished for half an hour and caught nothing. Then ... "Try them," said a voice offering me a can of wriggling maggots. One and a half hours later, I had caught 39 fish. They weighed 11 and three-quarter ounces. I won seven shillings and sixpence

and I was the junior champion for a year. Happy days!"

Well, there's a lesson for life: if you want to get on, you must acquire a number of hapless, defenceless, wriggling invertebrates, impale them on a hook and drown them, for your own greater glory and advancement. Whether they're minnows, junior ministers or members of Her Majesty's press.

Mr Heseltine would, I dare say, rather be seen dead than playing conkers, then or now. But as my daughter has started arriving home with armfuls and can-loads of the things, I've been slipping into Sad Old Git mode. Ah happy days. *Ubi sunt* etc. How my trusty 95-er sliced and cracked his way through the chestnut sheen of a myriad tiny opponents, splintering their proud, purple-ochre carapaces with cruel ... Well no, actually, my conker usually went rolling across the school tarmac after the first blow (inadequate knot expertise – I blame myself) to be stomped to a pulp by the cruel bullies of Lower Elements.

It is too late to get my own back by entering the World Conker Championships this Saturday in Ashton, Northamptonshire? I rang the Isle of Wight chapter of the international conker circuit, whose regional heat was played last Sunday. Top dog in horse-chestnut circles is a chap called Simon Dabell, who has a master criminal's grasp of conker-cheating lore.

The traditional method, still very popular, is to soak the conker in vinegar for four weeks, then bake it very gently

in a low oven, like an Aga, until the shell is rock hard. Other people smear by simply leaving it on a mantelpiece for a year. Still others keep it on a ledge inside the chimney for six months.

Mr Dabell strongly disapproves of all forms of sharp practice, "which is why we supply contestants with all sporting materials". He's a stickler for rules: you make a hole with a drill, not a skewer, for fear of ruining the grain; you use a shoelace, not a string to dangle it from; you must leave nine inches of lace



They stoop to conker

between conker and thumb. But I'm afraid this may all be getting a little too arcane for you.

And now that, according to Mr Dabell, schools are starting to ban conker games in the playgrounds of the South-east (potentially too violent, and you run the risk of leaving your adversary with a terrific bruise on the knuckle), the whole concept of having fun with shiny nuts will die out anyway, and the nation's youth can go back to exercising their hand-eye co-ordination with Mortal Kombat and Schoolyard Slaughter.

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# Independent Decade



Early auditions: In its first year the 'Independent' never lacked a story. It was boomtime – the air was heady with confidence in the Thatcher 'miracle', Nigel Lawson was riding high

From the Lawson to the Clarke boom. The *Independent's* three former business editors and its present one chart 10 extraordinary years of experiment in economic management, the City and business, a period spanning the boom of the Lawson years, the deep recession of the early 1990s and the economic recovery of today. Never before has the world of business and economics so consistently hit the front pages. From Guinness to Barings, this has been 10 years to remember

## From Big Bang to City scandal

The first front page of the *Independent* led with a story we had been hoarding for a week, praying that the international spy network of the *Financial Times* would not catch a whiff of it before Day One. This "revealed", as we journalists like to say, that the President of the Bundesbank had made a secret visit to Mrs Thatcher to try to persuade her to join the European Exchange Rate Mechanism.

It caused a gratifying little flutter in Downing Street, of the kind I was to experience less enjoyably from the other side of the tracks, as head of the prime minister's policy unit, just a few years later. There was even more gratifying irritation at the *FT*. Well, there you go – some stories just never seem to die. Ten years of the newspaper's life have reverberated with the politics of the pound.

But the echoes of 1986 that sound most strongly today have little to do with macro economics. They are on the micro side – what Nigel Lawson was, at the time, busy chiselling the supply-side revolution. The *Independent* was born on the crest of a wave of privatisation, deregulation, the breakdown of restrictive practices and trade barriers. The year 1986 was the *annus mirabilis* of supply-side reform. It was the year of Big

Bang in the City; the height of the financial services revolution. It was the high tide of privatisation: Sid was about to buy his shares in British Gas; British Telecom had already left the public sector dock; electricity and water were on their way. Europe was launching its Single Market. Britain was leading the fight for the destruction of trade barriers between the countries of the European Community – and in the process signing up for a boost to Brussels powers that its prime minister, Margaret Thatcher, was to recoil from so spectacularly only four years later.

Back home, the very language of business changed. Deregulation and re-regulation added their own dictionary of acronyms. OFT began OfTel, Of Gas, Ofwat and Of Rail – with the lottery and rail regulators still to come. We became familiar with RPI-X and Power Pools, with internal markets and new models of accountability.

It is no coincidence that London Economics, the economics consultancy whose chairmanship I am now taking over, in March 1990, which he called "a Budget for savers" and which introduced Tessa's. But as we reported at the time, the budget did little to cool the still-overheated economy, or curb inflation. Our columnist



Sarah Hogg  
Business Editor, 1986-89

required both government and the newly privatised utilities to think hard about the way markets work.

Only weeks after the *Independent's* own revolutionary beginnings, the City went Big Bang. The actual event was something of an anti-climax. Just as there were few prisoners left in the Bastille by the day it was stormed by the *sans-culottes*, so by 27 October 1986, all the big City firms had of course already made most of their dispositions.

Nevertheless, it marked the end of an era, and the start of a furious battle for market share, as the grand old mahogany panelling between brokers and jobbers came down and Chinese Walls between market-makers, fund managers and corporate finance depart-

ments (mostly) went up. (To our readers' evident relief, we charted their way through the new money maze by serialising Michael Brett's admirable new book, *How to Read the Financial Pages*. A decade later, I was delighted to discover that it is still required reading for graduate entrants to one of Britain's most distinguished merchant banks.)

The *Independent* itself was the product of a breakthrough in the long battle of attrition between newspaper publishers and printing unions. It was only one of a number of its business writers to have migrated from the *Times*. That newspaper's Murdoch management had formed the shock troops that broke the power of the Fleet Street printers, sweeping us up in the Wapping at the beginning of the year, where we produced the paper inside a barbed-wire encampment, surrounded by now-redundant strikers.

It was a brilliant campaign, but management was slow to appreciate that they would not be the only winners. Their victory broke down the barriers to entry into national newspaper production; the journalists had tended to see as mere cannon fodder thereby gained the freedom to mount their own competitive challenge. In 1986, Britain was busy re-learning

the meaning of markets – and in the newspaper business, the lesson was particularly sharp.

The *Independent* was a big start-up business, but not as big as it would have had to have been in the days when newspapers were obliged to employ their own printers. From the beginning three areas were seen to be crucial to our success: foreign, arts, and business coverage.

It was the age of the yuppie – our readers were young, affluent and concentrated in the South-east, though we had some clusters of loyal readership in Scotland and the North. Statistical correlations produced some curious pieces of information: if you slept under a duvet – still by no means universal in the mid-1980s – you were almost certain to be an *Independent* reader.

In our first year, we never lacked a story. It was boomtime – the economy grew 4 per cent in 1986, accelerating to nearly 5 per cent in 1988. Inflation was at its low point, the air was heady with confidence in the Thatcher "miracle", the budget was heading for surplus, Nigel Lawson was riding high. It was election time – Mrs Thatcher won her easiest victory in the summer of 1987, which did not stop Downing Street panicking halfway through the campaign. Massive political advertising

boosted the newspaper's coffers that spring. On the final day of election week, the editor, Andreas Whitam-Smith, wrote a leader without a conclusion, asking each of three trusted lieutenants to write a paragraph in favour of each of the contesting parties.

I wrote one for the Tories, arguing that it would be dishonourable for the *Independent*, the direct beneficiary of Thatcherite reforms of the labour laws, without which it could never have come into being, to support anyone else. Others wrote equally passionately for Labour and the Liberals. The editor read all three – and ran the leader without a conclusion. "With our readers almost exactly split between the three parties – more evenly than the readers of any other paper – it was probably the right market decision."

With the late Peter Jenkins, this newspaper achieved a reputation for political insight that could never be matched. But politics was not our only excitement. In the City, it was scandal time: it was a tremendous coup that David Brewerton broke the Guinness story in the *Independent*. It was crash time; when the bottom fell out of the stock market that autumn, my financial editor of the time, Peter Wilson-Smith, was able to work round the clock for

days, and our flexible production techniques paid dividends. We led the revolution in newspaper graphics, charting the extraordinary global ripples of the crisis, pushing the limits of our edition times.

Time rose-tints memory. The exhaustion of launching a fully fledged daily newspaper, determined to compete with the best, is easily forgotten, although I know I never worked so hard again until I entered Downing Street. I remember the good times: putting together our Budget coverage (and boy, were there some Budgets in the late 1980s) with half the team and twice the effect – or so we believed – of the other broadsheets. I remember the special Wincott award for our pages – an early recognition of their quality. I remember the nervous moments too: we had our share of writs, notably from Maxwell, from whom I only wish we had earned more. Most alarming of all I remember sitting in the High Court watching Jeremy Warner, the present Business Editor, refuse to reveal his sources, praying that his lordship would not seek to make an example by banging him up.

I left the *Independent* in 1989, too weary to cope with the paper's second great gamble, launching a Sunday paper. But just days later, Nigel Lawson,

Chancellor throughout my time with the newspaper, finally resigned – and I was honoured to return to write, I hope, a valedictory that did him justice. My final, very personal memory of the *Independent*, however, comes from the following year.

In 1990, sitting in my office at the *Daily Telegraph*, watching the wires as they reported the ins and outs of a reshuffle, I noted that my husband Douglas – then a junior minister at the DTI – had been called in to Number 10. I rang him to ask what had happened. "Oh, nothing," he said. "I was in there for something quite separate from the reshuffle."

Like a mug, I believed him. The following morning the *Independent's* lead story was that he had turned down the job of Paymaster-General, at the Treasury, because he felt I might feel obliged to resign as a financial journalist.

He had tried to keep this sacrifice to himself. Only when I threatened to ring the editor did he finally admit it was true. Had it not been for the *Independent*, I would never have known. The story – with a picture of Douglas in one of his now-famous hats – is my favourite press cutting of all.

Sarah Hogg is now chairman of London Economics.

## Boom turns to bust as the yuppie years come to an end

One task of the financial section of a newspaper is to pick out the big forces influencing the economy before everyone else, to be – as the jargon of the markets would have it – ahead of the curve. As it happened the 18 months from November 1989 to June 1991 when I was editing these pages coincided with the first stage of the early 1990s recession. It saw the shift from slowing growth to something close to despair; the time when it seemed the recession would never end. So I suppose the first test is whether we, as a paper, were indeed ahead of the curve, whether we picked up the danger signals in time.

The honest answer is "not really". The tone of the paper's coverage at the end of 1989 was beginning to show some caution. But while we made it clear that the boom was over – "the end of the longest uninterrupted economic expansion since the Second World War" I wrote on 2 November 1989 – neither I nor my colleagues fully grasped quite how severe the recession would become. That same piece carried some warn-

ings – "the boom... is already ending more sharply" – and saw some dangers: "Will there be so much disruption over the next couple of years that growth in the 1990s will be even slower than it otherwise would have been?" But we all failed to see how catastrophic that period would be.

This newspaper group also failed to see the consequences on its own business, for the 18 months neatly spanned the period of optimism which led to the launch of the *Independent on Sunday* and the grinding financial pressures which provoked its ensuing partial merger with the daily.

This was the end of what we once called the Lawson boom. Nigel Lawson had resigned as Chancellor at the end of October 1989, and a young John Major had just taken over. Mr Major's spell in the Treasury was unremarkable. He produced one Budget, in March 1990, which he called "a Budget for savers" and which introduced Tessa's. But as we reported at the time, the budget did little to cool the still-overheated economy, or curb inflation. Our columnist

Bill Robinson (who subsequently became adviser to Mr Major's successor, Norman Lamont) reckoned that the Chancellor was gambling and that if he was wrong there would be more pain to come.

Base rates were then at 15 per cent. As we moved through 1990 it gradually became clearer that the economy was slowing. But even in the autumn it was still not clear that recession was upon us. Once it was, and once inflation seemed to be falling, the right policy would have been to cut interest rates. But we could not do so. Since 1988 sterling had been informally tied to the German mark, and policy was directed at keeping it there. Just as in the late 1980s we had been unable to push rates up fast enough, now we were unable to cut them when it became clear that recession was the greater danger.

On the eve of the 1990 Tory party conference in October 1990, sterling was formally linked with the mark in the European Exchange Rate Mechanism (ERM). John Major, still at that stage Chancellor, did



Hamish McRae  
Business Editor, 1989-91

take 1 per cent off base rates to the general acclaim of his colleagues. But in the months that followed, as recession deepened, that was clearly not enough. As it happened, he did not have to face recession as Chancellor, for little more than a month after that conference, his elevation to prime minister had passed the job of Chancellor to Norman Lamont.

The Budget the following spring was altogether more sober. In November 1990 the Treasury was still forecasting some growth in 1991. By the following March the forecast was

for minus 2 per cent. That Budget was technically neutral, with a rise in VAT to 17.5 per cent used to pay for the abolition of the poll tax. But a neutral Budget only made sense if it enabled interest rates to be cut sharply. That was not to happen for another 18 painful months, when sterling's departure from the ERM enabled the UK to take back control of its monetary policy.

By June 1991, the picture was bleak indeed. "Treasury gloom over enduring recession" ran our front-page headline and my commentary on the lack of any recovery in manufacturing started with the words "It is, alas, the same subject again," and ended with "sad, but true".

If we failed to predict the depth of the recession, we did however catch some of its social and financial consequences. Take corporate restructuring. We recognised the scale of the revolution sweeping across the business world and charted the effects on both companies and their employees. Early 1990 saw perhaps the most striking downsizing of any large corporation anywhere in

the world: the savage job cuts at IBM. We noted the impact of foreign investment, particularly from Japan, in re-industrialising Britain, and as well as charting the continuing privatisation programme, we also started looking at the introduction of business management techniques in the public sector.

The paper was also cautious about the bullish stories put out by some sections of the business community. This was not just a reaction to high-profile entrepreneurs such as Asil Nadir or the late Robert Maxwell. We were also deeply sceptical of forecasts that the housing slump was over; we were very cautious about the state of the Japanese financial system. On the other hand we did not fall for the excessive gloom surrounding some other sectors. For example, we recognised that companies which were deeply out of fashion, such as advertising agencies, would eventually recover, and we suggested that by the middle 1990s London commercial property might again become profitable.

But perhaps the most fascinating thing about looking back on that period is how equity markets coped with disastrous economic circumstances and not lost their collective head. In November 1989, when the boom still seemed in full swing, the FTSE100 index was at 2,160, and the Dow at 2,646. Sterling was \$1.58 (almost exactly where it is now) and DM2.90. Some 18 months later, when both the UK and the US were in recession, the Footsie had managed to pull up to 2,525 and the Dow to 2,995. Sterling in early June 1991 was already up to \$1.69 and DM 2.96, and was to touch \$2.00 in the following year. If there is a moral here, it is that, left to their own devices, markets can cope with switches from euphoria to despair. During that period at least, equities were correctly cautious about the boom and correctly optimistic about the eventual recovery. It was the equity markets – manipulated by politicians – that got things wrong.

Hamish McRae is now associate editor of the *Independent*.

APR 12 1996





# Consequences of the last awful recession are still with us

All recessions are awful, but the recession of 1990 to 1992 and the ejection of the pound from the European Exchange Rate Mechanism (ERM) were particularly traumatic for Britain. They gave a boost to British Euroscepticism, and ensured that Britain now looks more isolated than at any time since we joined the European Union.

To understand why that period had such a far-reaching impact, it is important to look beyond the macro-economic figures. Below the surface, this was an unusual recession. It was the first downturn since 1929-31 that affected large parts of middle-class, Middle England. It thus struck at the heart of Conservative support. Since it was politically impossible to admit that the recession was the fault largely of domestic policy failures, our ERM membership became the whipping boy for the Thatcherite right.

In reality, the recession was a product of the excesses of the Thatcher-Lawson boom from 1987 to 1989. That boom was fuelled - like those in much of Scandinavia, Japan and the United States - by financial liberalisation and competition. The easy availability of credit pushed up asset prices - and made credit even easier to obtain. Rising consumer spending fuelled higher imports and mounting inflation, which exceeded 10 per cent in 1990.

When interest rates began to rise in 1988 to choke off demand, heavily indebted house-buyers bore the brunt of the tightening. Negative equity and repossession became the bywords of the recession. Consumer spending dipped. The South-east was among the hardest hit regions: unemployment rose sharply even in traditionally middle-class occupations and areas. London, long sheltered from the full force of business cycles, suffered an unemployment rate higher than the national average.

And the newspaper proprietors hated the pattern of the recession too, which is why the attacks on the Government from the newspapers owned by Rupert Murdoch and Conrad Black hit such an edge: advertising revenue is particularly important to broadsheet newspapers, and real revenue plunged, whereas it had gone on rising during the 1975-81 recession, which had affected mainly the manufacturing centres of the Midlands and North and hence the Labour-supporting heartlands.

Ironically, John Major's decision to put the pound into the ERM in October 1990 probably helped at first to moderate the recession. Interest rates had come down from 15 per cent just before we joined to just 5.5 per cent in September 1991 without the exchange rate tremors that usually accompa-



**Christopher Huhne**  
Business Editor, 1991-94

ny such a decline. But with rates only 1.25 percentage points higher than Germany's, the question then became whether we could go any lower - or whether we would have to keep rates higher than Germany as a risk premium, since sterling was seen as more inflationary and prone to devaluation.

The French provided the answer in November, when they were forced to raise interest rates to defend their parity despite a better anti-inflationary track record than Britain.

The official line, as stated by the newly promoted Treasury permanent secretary, Sir Terry Burns, on the anniversary of joining, was that there might be a conflict between the interest rates necessary to maintain the exchange rate band and the interest rates needed to conduct monetary policy in a more general sense. But he added: "Experience suggests that does not last for very long typically, nor is it very predictable."

We disagreed: "Ironically, the best news for Europe would now be a sharp slowdown in Germany because the hoost from the likely fall in interest rates would outweigh the direct loss of markets. But that does not look likely. The second year of ERM membership may prove less accommodating than the first."

From then on, the pressures for domestic relaxation mounted as house prices fell and commentators played "spot the upturn". CBI surveys came and went. Hopes rose, and hopes were dashed. I put my head on the bloody pudding that output would bottom out in the second half of 1991, but the economic indicators showed continued stagnation well into 1992. (This is an object lesson in knowing whether you are forecasting the economy or the official figures: the GDP figures now show that the bottom of the recession was in the first quarter of 1992, and output began to recover in the second quarter despite high interest rates.)

But Germany was still suffering from the after-effects of the reunification boom, and the independent Bundesbank - led by the arch-conservative president, Helmut Schlesinger - was reluctant to cut rates. The rest is history and humiliation. On 2 June 1992 the Danes voted against Maastricht and

the markets' belief that we were on track for monetary union began to crumble. It was not an original thought - the EU Commission had made the point many times - but we warned that it was not obvious that the ERM could survive in its present form unless there was a clear commitment to monetary union.

Either Maastricht is put back on the road, or the ERM will have to change. Secondly, the resolution of that question spells trouble for the Chancellor in the markets. If there is no hard evidence of lift-off in the autumn, the Chancellor will face renewed pressures for devaluation or even a free-floating pound outside the ERM. One worrying sign was that the yields on gilts were picking up. On 26 August, Norman Lamont popped out of the Treasury - "with all the decorum of a cuckoo clock" - to say that he would not devalue or leave the ERM. The heavy selling began in earnest.

On 3 September, the Government borrowed £7.2bn in foreign currencies to bolster the reserves and buy sterling, but 10 days later the Italian lira succumbed with a devaluation of 3.5 per cent, and the magical belief that the ERM parities were immutable was gone.

The academic and unworried Mr Schlesinger then committed the unpardonable indiscretion of telling a senior journalist that the Italian realignment would not be the last. The markets knew that the British government had not consulted its partners about the appropriate rate for sterling when it joined, and Mr Schlesinger's remarks were the signal for a rout. On White, Black or Grey Wednesday - depending on your taste - the pound was out of the system despite a 2 per cent rise in base rates, and the announcement of three points more.

And so, by accident rather than design, Britain arrived at a macro-economic policy which is arguably its best for years: an inflation target buttressed by a Bank of England governor with a license to ring the alarm bells; publication of monthly monetary committee minutes and the Bank's inflation report. As the Government cut interest rates and sterling sank, the recovery gathered force led by exports and investment.

However, there has been a high cost. Europe has become a dirty word and Britain looks peculiarly isolated; the other Europeans concluded from currency volatility that monetary union was more important than less. Britain's credibility in the markets is low; they now require the Treasury to pay a premium of 1.5 percentage points on 10-year money, compared with the Germans, because they do not trust us to keep inflation down or avoid devaluation. Even



**Robert Maxwell**: Many questions remain unanswered in the years since his death

Ireland can borrow more cheaply, with Portugal, Spain and Italy closing in fast.

After the ERM débacle, the focus turned to fiscal policy. Before the election in June 1992, the *Independent* performed a minor public service in a study with Coopers & Lybrand by pointing out that sky-high budget deficits meant taxes were going up whoever won.

In March 1993, the last spring budget, Mr Lamont duly put VAT on fuel, cut mortgage interest relief and increased excises, generally proving the old adage that there is no better diet for a politician than a meal of their own words. Gallup reported that Mr Lamont was the most unpopular Chancellor since the Second World War.

The period was not entirely dominated by macro-economics: one of the sports of the time was

to predict which of the stock market stars of the Eighties would fall to earth. Victims included Alan Bond, Asil Nadir, Robert Maxwell, Robert Holmes à Court, George Walker and more. BCCI collapsed and kept official committees going for months. The Lloyd's saga revealed ever more stunning losses.

Gerald Ratner told the Albert Hall that his shops sold crap, and the company had to cut 1,000 jobs. He was one of them. Salomon Bros, one of the top houses of the Eighties, was found to have rigged the US bond market. Peter Clowes was sentenced to 10 years on 18 counts of fraud.

Having made their provisions on Third World debt, the clearing banks found a new way to lose money. Barclays revealed the first loss in its histo-

ry thanks to lending on property. The man mainly responsible became chairman.

But these were lagging indicators. There were also signs of better times to come. Argentina adopted a currency board system, and crushed its hyperinflation. The Brady debt plan cleared the way for renewed growth in the middle income countries, now fuelled by better policies and capital inflows.

Russia emerged slowly from its Communist hibernation, a giant economy of the future. And China estimated its 1993 growth rate at 13.5 per cent, a figure only slightly less impressive for being published in December, before the year ended. The world was on the mend.

Christopher Huhne is now the managing director of IBCA Sovereign Ratings.

## Fat cats, rogue traders and the holy grail

Fat cats, rogue traders, the death of the mutually owned building society and insurance, utility regulation, mergers and mania, EMU and most controversial of all, a glimpse (possibly illusory) of that great holy grail of economic management, non-inflationary growth: these are the issues that have dominated the headlines during my two and a half years as Business Editor.

Given Kenneth Clarke's increasingly perilous position in Cabinet, it seems only proper to deal with the last one first. On most conventional measures Mr Clarke's performance as Chancellor has been a remarkable one: employment and interest rates have fallen steadily, growth has picked up nicely and inflation has stayed in check. The only apparent blot on the landscape is the Government's inability to get to grips with spending and borrowing, though even here Britain's performance is no worse than anywhere else, possibly a little better.

More questionable is whether Mr Clarke is right to claim it as an economic miracle, the best economic backdrop for a generation. Is this just electioneering, or has Britain indeed broken through to the high ground of economic management, where growth persistently outstrips inflation?

The first thing to point out is that the record only partly bears out what has now become generally accepted as fact. Since Britain left the European Exchange Rate Mechanism (ERM) in 1992, growth has risen faster than inflation in only two years, 1994 and 1995. This year inflation will once again be higher than growth. All the same, it is certainly true that the Chancellor has achieved a substantial reduction in unemployment without any notable increase in inflation.

Mr Clarke naturally attributes this happy state of affairs to 17 years of Conservative reform. In particular he points to deregulation of labour and capital markets, and to privatisation. Lock has also played its part, however. The Government has made a virtue

out of the collapse of the ERM, but it scarcely needs saying that this was not government policy at the time. Furthermore, it is not just in Britain that inflation is low. Almost everywhere that counts has a low inflation rate at present. Indeed, to believe that the present state of affairs will persist in Britain much beyond the election requires a tremendous leap of faith.

The markets, certainly, are going to take a lot more convincing. After all, the economy at the moment is not so dissimilar to the way it was in the mid-1980s - strong growth and low inflation - and look how that ended. Despite the present bull market in bonds, long-gilt yields continue to reflect quite high medium-term inflationary expectations, and this is without factoring anything in for what the Chancellor might do in the Budget next month to pump-prime the economy for the election.

As it is, Mr Clarke insists he is not going to do very much, to the dismay of Tory backbenchers and some of his Cabinet colleagues. In part this may be a reflection of the Chancellor's policy. European views, another area of policy where he finds himself out on a limb, for it is hard to see how Mr Clarke could both deliver meaningful tax cuts and meet the Maastricht criteria for European Monetary Union (EMU). To the John Redwoods of this world, he is therefore becoming a boogymen twice over. On the one hand he won't cut taxes, a fiscally prudent stance which on the other can in part be laid at the door of nasty European bureaucrats.

As with most important issues, business has been split down the middle by EMU. On the whole big business is for it, with smaller, entrepreneurial businesses, or anyone that might be adversely affected by the social disciplines of Europe (a minimum wage and the like), against. Until quite recently, it has been possible to avoid the issue, for there was good cause to believe that EMU wouldn't happen at



**Jeremy Warner**  
Business Editor since 1994

all. In some shape or form, however, it now seems virtually certain it will. In or out, it will profoundly affect all our lives, probably in ways we hardly yet suspect.

Privatisation has been a political hot potato for almost as long as I've been in financial journalism, but during the past two and a half years, regulatory uncertainty, fat cat salaries and questionable standards of service have conspired to make these companies hate institutions. This is in many respects a great shame, for privatisation has brought enormous benefits to Britain, brought enormous price-cap forms of economic regulation that Britain pioneered for its privatised utilities, has, on the whole, been a great success, bringing rich rewards for both customers and shareholders and hugely improving the efficiency of these one-time state-owned dinosaurs. It has been all too easy to forget these underlying truths in the cut and thrust of more recent debate.

None the less, it is plain from the events of the last few years that the system is no longer working as smoothly as it should. On the one hand regulation is accused of being too lax, as in the case of Professor Stephen Littlechild's review of electricity distribution charges, on the other too harsh, as with Clare Spottiswoode's review of British Gas's Transco charges. So fundamental was the management

and regulatory failure in one case, that of Yorkshire Water, that the company was unable to guarantee supply.

Some degree of reform is clearly required if public confidence in our utilities and in the system that regulates them is to be restored. In so doing, however, it is important that the baby shouldn't be thrown out with the bath water. The windfall tax on utilities proposed by Labour seems to me to be a highly retrogressive step. It is arbitrary, unfair and doesn't address the problem. A formalised system of profit sharing between customers and shareholders would be a rather better approach, though even this is not without its drawbacks.

In the end, however, the best solution may be the simple and undramatic one of institutional reform. Regulators clearly need to be made more accountable, transparent and coordinated in their approach. To make them so may require changes in the law.

Whether anything can, or indeed should, be done about fat cat salaries and perks is another question. The privatised utilities have come to symbolise a much wider pattern of corporate excess in Britain. Sir Richard Greenbury's committee on executive pay tried to address the problem and, perhaps predictably given its make-up, utterly failed.

True, executive pay is more transparent than it was, but this seems to have done nothing to shame directors into paying themselves less. Top salaries continue to motor ahead at a pace of knots. Out went the Greenbury incorrect executive share option scheme, in came the Greenbury approved "EI Tip" - the surprisingly apt acronym (well nearly, anyway) for the long-term incentive plans which are now a part of every self-respecting executive's pay packet.

Not much in the way of performance is required to hit the jackpot in a great many cases. Most of us don't expect any more than our salaries for doing our jobs. Once in the boardroom, it

seems, just getting out of bed in the morning is enough to earn you a big fat bonus on top. Don't you just love being in control?

World capital markets have cooed to boom and mushroom throughout the 1990s; derivative markets are now bigger by a factor of many times than the underlying physical markets they piggy back on. Many believe the process to be out of hand and out of control.

The very fabric of the world's financial system is threatened, some believe, by free-wheeling investment bankers and their antics. This may or may not be alarmist nonsense. The test will come during the next big crash. What is certainly true is that the progressively more complex and global nature of these burgeoning markets has made it much harder for banking supervisors and regulators, as well as the organisations who drive the markets, to keep pace.

One of the effects of this has been the advent of the rogue trader, the consummate and fraudulent gambler who deliberately sets out to hide the extent of his trades from the prying eyes of regulators and superiors. Since I've been Business Editor we have had three notable examples: Nick Leeson at Barings; Yasuo Hamanaka at Sumitomo; and, more recently, Peter Young at Morgan Grenfell.

Though all very different, there is a common theme to these scandals. All have involved varying degrees of failure in management control, supervision and regulation. And although they may all be more symptomatic of negligent management than systemic weakness, they have none the less played a significant role in undermining public confidence in these vast and largely unfettered global markets.

Nick Leeson succeeded only in bringing his bank down, with controllable knock-on effects. Who knows? The next one might involve rather more extensive damage.

### Headlines that made a splash



**From the top:**  
Mrs Thatcher is approached to join the ERM  
The *Independent* leads the field in uncovering the Guinness scandal  
The stock market crash of 1987  
We expose Brent Walker's fraudulent accounts  
The *Independent* reveals plans to privatise all 10 water companies at once  
Guinness four are jailed  
Britain plunges into recession  
The Maxwell scandal breaks  
Britain is forced out of the ERM  
The *Independent* reveals Halifax building society's plan to merge with the Leeds and float on the stock market  
Merger mania as Glaxo bids for Wellcome  
How Barings top brass financed Leeson's rogue trades  
Murdoch's 10 years of tax avoidance  
The endless sorrow of Eurotunnel



**Car strategy: German parent reveals ambitious plans to take range upmarket and increase production**

# BMW set for £3bn overhaul at Rover

MICHAEL HARRISON

BMW plans to increase production at its Rover subsidiary by a half to 750,000 cars a year as part of an ambitious £3bn investment programme that will see the model range completely overhauled, slimmed down and moved significantly upmarket.

In his first appearance since taking over as Rover's new chief executive on 1 September, Dr Walter Hasselkus also said that BMW intended to use common engines and electronic systems for both marques and shave at least £350m from their combined annual component expenditure of £1.4bn.

However, the expansion in car output, which is likely to be accompanied by the building of a £500m engine plant in the West Midlands, will not be matched by a similar increase in Rover's 39,000-strong workforce.

Overall, BMW has set Rover a target of improving cost efficiency by 4 per cent a year and becoming profitable under German accounting rules from 2000 onwards.

Dr Hasselkus, who is also on the main BMW board and for-

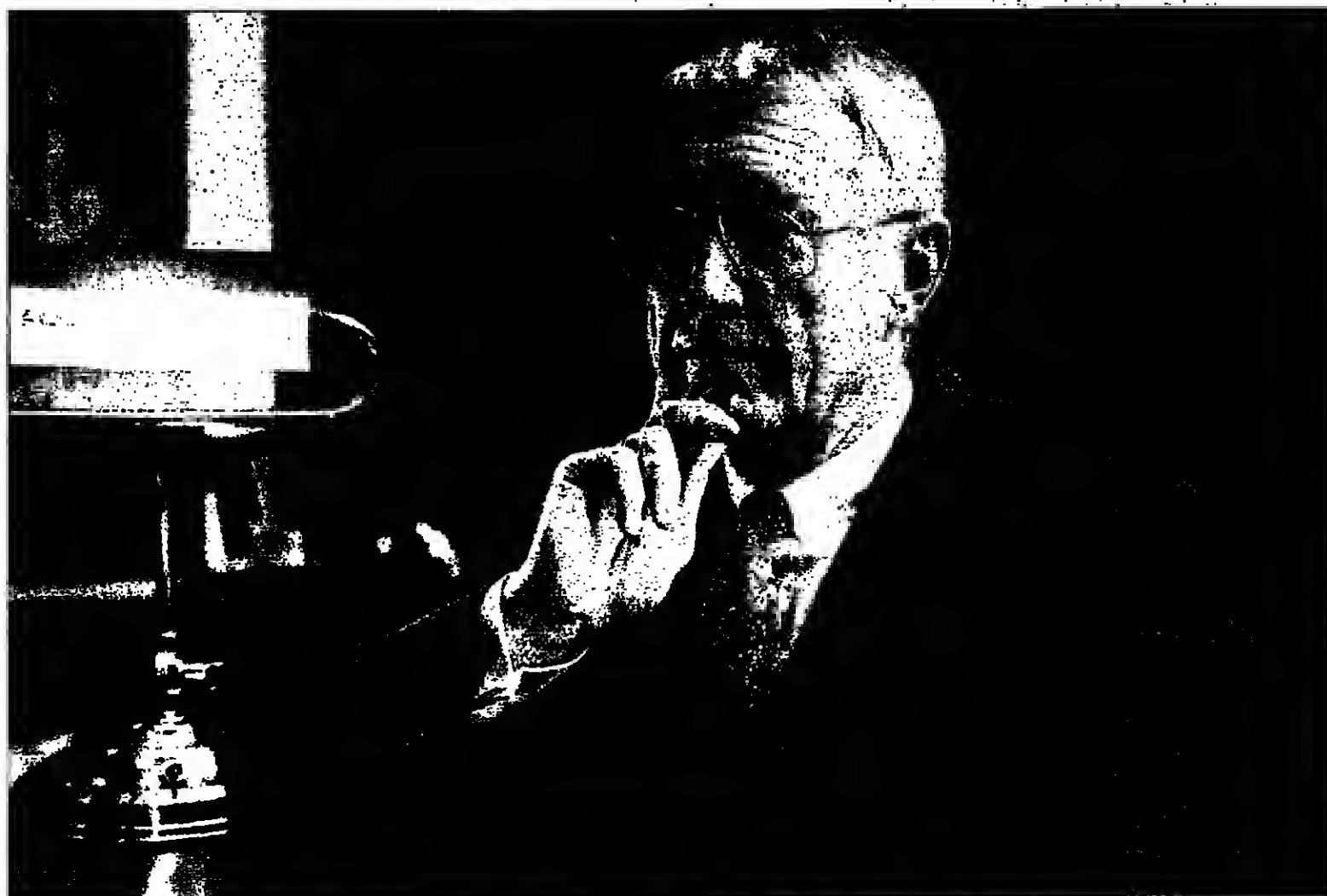
merly ran its motorcycle division, indicated that Rover's car range would be cut from six to three models, while the number of platforms used to build vehicles across the Rover group would be reduced from 14 to seven.

The aim is to complete the overhaul of the model range in 10 years time. BMW has already announced that it will spend £400m on a new Mini, which will also be used as the platform for a replacement for the Rover 100 or Metro as it used to be known.

The Rover 200 and 400 series will be replaced by one model as will the 600 and 800 series, while the MG will remain a distinct platform. Meanwhile Land Rover will expand production through the launch next year of a mini-Land Rover to compete with the likes of Toyota's Rav4.

BMW has already announced investment of £1.5bn in Rover and will spend the same amount again by the end of the decade. Investment is running at £500m a year - double the amount spent by British Aerospace when it owned Rover.

Although Rover will not be in profit for a further four years, Dr Hasselkus defended the huge



Dr Hasselkus, new chief executive: 'We are not short-term thinkers and that means investing heavily for the future'

Photograph: Keith Dobney

sums being invested. "BMW is taking a long-term view. We are not short-term thinkers and that means investing heavily for the future. To be where we want to be in 2002 we have to invest."

He added that if it wanted, BMW could get Rover into profit within two years but that would be at the expense of investment in facilities such as engine plants and paintshops. He also said that German

accounting rules, which allowed it to translate currencies at the highest rate and depreciate capital expenditure upfront, made a difference of £200m a year to Rover's published profit and loss figures.

The ambitious model replacement strategy and the high levels of investment mean that the cars Rover will be producing will be significantly more expensive. Dr Hasselkus said

that even the new Mini would be an upmarket car with a price tag to match. The present model costs just under £9,000.

Dr Hasselkus said he was optimistic that the new engine plant would be built at Hams Hill in the West Midlands between Rover's Longbridge and Solihull plants, provided the Government agreed to provide state aid.

The Austrian government, which is also vying for the

investment, is prepared to offer £60m in aid and BMW is looking for something similar to site the plant in Britain.

"We are not blackmailing the Government by saying unless you put £50m on the table we will not come to Britain. But there has to be an offer which makes it financially viable for us to come here," he said.

On quality levels he said Rover still had some way to go

to match the standards of BMW. "It has improved over the last couple of years but it is still not where we want it to be."

However, he said that was not feasible for some models. "People over at BMW tell me that the Mini should be brought up to BMW quality but I tell them they must have lost their marbles because the Mini is a car that was launched in 1959. There is no comparison."

## Plasson pulls its London flotation

NIGEL COPE

Plasson, Israel's largest plastics company, pulled its flotation on the London stock market yesterday due to the deterioration in the political situation in the Middle East.

The float was to have raised £20m and would have made Plasson the first Israeli company to take a full listing for almost 30 years. It would also have been the first Kibbutz-owned company to list in London.

The company's brokers, Société Générale Strauss Tiers, said that although early marketing efforts were successful, the outbreak of violence between Israeli and Palestinian forces meant the company would be unable to proceed with its original timetable.

Investors failed to take up £1.9m of the £20m initial public offering, leaving the company just short of the Stock Exchange's minimum float requirement of 25 per cent of the company's shares. The float would have valued the company at around £75m.

The business of Plasson was founded in 1963 by the Kibbutz Ma'agan Michael, and is located on the coast road between Tel Aviv and Haifa. The Kibbutz is one of the largest in Israel with a population exceeding 1,300. Plasson is a leading maker of plastic connectors for polythene pipes. Last year it made profits of £4.4m on sales of £52m. It is one of Israel's 100 largest companies.

The Kibbutz would have retained a 75 per cent stake in the company after flotation.

## C&W steps in to sign up German partner

MATHEW HORSMAN  
Media Editor

Cable & Wireless is to join forces with giant German utility RWE to develop its German telecoms business, the companies announced last night. Preliminary agreement was reached following the collapse of BT's much-vaunted German alliance with RWE, leaving BT to develop a separate strategy in the giant market, scheduled for deregulation from 1998.

Under the agreement, reached in principle yesterday, C&W will own 22.5 per cent of a joint venture, grouping Vebacom, C&W's partnership with Veba, and RWE's telecoms operations. The new group will have a service and network company, operating separately, with RWE contributing net cash of approximately DM2.5bn (£1.05bn).

C&W, which owns the Mercury telecoms company in the UK, would be refunded DM450m, because the alliance would be "substantially overcapitalised" with RWE's involvement, the companies said.

Richard Brown, C&W's chief executive, said: "This transaction underscores the value of our in-

vestment in Germany, materially reduces our exposure to start-up costs and will have a favourable impact on our earnings, cash and balance sheet."

BT said that "serious disagreements about strategy" had been behind the decision to end the joint venture plans with RWE. BT will continue to work

with telecoms company Viag, its joint-venture partner in Germany, and said the two still planned to apply for the fourth mobile telephone licence announced by the German government, despite RWE's exit.

Explaining the collapse of the RWE-BT alliance, a BT spokesman said: "They wanted sepa-

rate divisions for mobile and fixed-link networks, while we wanted to bring them together." He said RWE was keen to develop extensive infrastructure, while BT preferred a "service-based company".

He said the German expansion plans, which are seen as key to BT's global aspirations,

would not cost more as a result of the collapse of the RWE joint venture. BT will step up plans to win access to fixed-transmission capacity in Germany.

BT said it would leave the door open to other potential partners to join with it and Viag. "It has always been our intention to bring in another partner," the spokesman said.

Under the complicated C&W-RWE deal, C&W will retain its 45 per cent interest in Vebacom, its joint venture with Veba. The network and services operation of Vebacom and those of RWE, called Rwecom, will be combined into two companies, one covering services and the other networks. Vebacom will have a 51 per cent shareholding in the services company and 49 per cent of the network company. In addition, Veba will take a 25 per cent interest in Rwecom.

## British Energy under fire over 1,400 job cuts

MICHAEL HARRISON

British Energy, the newly privatised nuclear generator, was facing a storm of criticism last night as it confirmed that it is to cut 1,400 jobs just three months after its stock market flotation.

The redundancies, to be phased in over the next three years, will reduce staff levels by a quarter to 4,800. More than half of them will be among operating staff at British Energy's eight nuclear reactors. The remainder will be among administrative and support staff.

The company has not ruled out compulsory redundancies. John Battle, Labour's energy and industry spokesman, called on the President of the Board of Trade, Ian Lang, to apologise at the Conservative Party conference for the privatisation of British Energy.

"Today we are seeing 1,400 employees lose their jobs as managers seek to make ends meet in the privatisation that never added up. This privatisation has been a short-term, desperate dash for cash to fund Tory tax cuts and we have all been the losers. Ian Lang must use his chance to say sorry."

Mike Jermol, head of energy at the white-collar union Unison said British Energy's staff were fed up being treated as "dividend fodder" and warned that the public would want to know how the cutbacks would

affect the future of the company's nuclear reactors.

But a British Energy spokeswoman said there was no question of safety standards being compromised. She added that most of the job cuts were, in fact, part of a rationalisation programme announced in 1994 and then put on hold following the Government's decision to split the nuclear industry in two and privatise the more modern advanced gas cooled reactor and the Sizewell PWR1.

Of the 1,400 job losses, 800 will be among operating staff and 600 will be in support staff. The average number of operating staff per station will fall by 100 or roughly one-fifth. There will be 1,200 job losses in England and Wales and 250 in Scotland. British Energy's Barnwood administrative centre in Gloucestershire will be the hardest-hit site with 450 redundancies.

British Energy estimated savings of £50m. The one-off cost of the restructuring will be £100m which is fully covered by existing provisions.

Discussions have started with the Nuclear Installations Inspectorate about the operational aspects of the job cuts. A spokeswoman said they were far less draconian than those implemented following earlier privatisations of electricity generators.

British Energy said it had no current plans to build new stations in Britain, nuclear, gas or otherwise.

## Oftel to look at BT's satellite scheme

Oftel, the telecoms regulator, has asked BT and Rupert Murdoch's BSkyB to provide details of their joint marketing of satellite and telephone services, following a complaint from General Cable, the telecoms operator, writes Mathew Horsman.

"We have received a complaint, and we have asked BT to provide details of the

arrangements," an Oftel spokesman said yesterday. The complaint, which is supported by at least two other cable companies, follows the announcement last month of a scheme to give satellite dish subscribers £3.30 worth of free telephone calls a month, supplied by BT and to provide cheaper installation charges and monthly subscription rates

to Sky subscribers for a limited time. The arrangement was an extension of schemes offered by BT and BSkyB, and is seen by some cable companies as unfair competition.

But at least two large cable companies were said to be "relaxed" about the schemes, with one saying: "This is just a form of marketing, and is no different, really, from what we do."

Cable operators offer combined television and telephony packages to attract new subscribers.

BT said it was unsurprised by the complaint, but stressed the scheme conformed with all aspects of its licence. "The country's leading telecoms operator and the most profitable broadcaster will always attract this sort of interest," a BT spokesman said.

## Tebitt tells court of 'ageism'

MIKE TAYLOR  
Press Association

Lord Tebitt, who once told the unemployed to get on their bikes and find work, said in the High Court yesterday that a "cult of ageism" in Britain was making it difficult for top executives over the age of 55 to find work.

"I suffer from it myself, being 65," he told the court. "It isn't fashionable these days to appoint chief executives who are in their upper 50s."

The former Conservative Party chairman was giving evidence for corporate trouble-shooter John Clark in his £3m compensation claim for loss of his post as chief executive of business services group BET after it was taken over by Rentokil.

Mr Clark says he will have serious difficulty in finding a new job, but Rentokil argues that an executive of his standing should be able to secure another post and that he is bound to "mitigate his own loss" by seeking to do so.

Rentokil's counsel, Andrew Hogarth, who recalled that Lord Tebitt had held himself out in the past as "a bit of an expert on the case with which you can obtain employment", suggested that Mr Clark would seem to be an obvious candidate for employment.

Lord Tebitt, a non-executive director of BET until May this year, replied: "He is 55 years old and unfortunately there is a cult of ageism in this country."

Another barrier in Mr Clark's way was that many able chief executives were not suitable for

positions in other companies. "There are some very good square pegs and some very good round holes," he said.

Responding to Mr Hogarth's suggestion that Mr Clark had influential friends who could recommend his ability to others, Mr Clark's counsel, Brian Langstaff QC, asked Lord Tebitt whether there was an "old school tie culture" in the world of commerce.

Lord Tebitt said: "Very little indeed. One assesses people on their work. Their reputation is normally public. There is not an old school network of people fixing jobs at cocktail parties and dinner parties."

American-born Mr Clark turned round the ailing fortunes of BET before it was acquired by Rentokil for £2.2bn last April in a hostile takeover. He

is claiming more than £3m for loss of salary, pension rights, stock and share options, bonus payments, an executive car and chauffeur, and health insurance.

Rentokil admits wrongful dismissal and agrees it must compensate him. But it disputes how much, arguing that he was offered some "fair" terms as other former BET directors, all of whom accepted the offer.

Lord Tebitt told Mr Justice Timothy Walker that, after the takeover, Rentokil "demanded" termination of Mr Clark's service agreements and his removal from office. There had been no consultation with the BET board. BET directors agreed that this was not the correct way to deal with Mr Clark, who had "given his all to BET".

The case continues today.



Tebitt: Said it was difficult for people over 55 to find work

STOCK MARKETS									
FTSE 100		Dow Jones*		Nikkei		HSE		DAX	
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
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4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200
4252	6110	27800	27800	21200	21200	21200	21200	21200	21200

INTEREST RATES									
Short sterling*		UK medium gilt		US long bond		Money Market Rates		Bond Yields*	
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50
5.50	5.50	7.25	7.25	7.25	7.25	5.50	5.50	5.50	5.50

CURRENCIES									
\$/£		¥/£		DM/£		Sfr/£		Other Indicators	
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361	Oil Brent \$	24.58
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361	Gold \$	381.80
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361	Gold £	243.84
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361	Base Rates	5.75p
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		
1.5645	+0.132	1.5720	1.5720	0.6302	-0.05	0.5361	0.5361		

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## COMMENT

If you think the current Mini is expensive at a shade under £9,000, just wait until you see the new version for the next millennium. The one thing that Rover's customers are not used to is paying top prices for their cars.

# Ultimate task may prove too much for BMW

Strange things happen to the profits of British companies when they are piped through the German accounting system. Just ask Rover which, to its bemusement, saw a £92m operating profit turn into a £148m loss last year.

Well here's another set of whacky figures to get your mind around from the same folk who brought you Rover's disappearing profits. BMW, which paid £800m for Rover in an uncharacteristic display of largesse two years ago, wants to increase production at its British subsidiary from 500,000 to 750,000 over the next four years without taking on a single extra fitter. As if that wasn't enough, it also wants to build a plant in the West Midlands that will churn out 400,000 engines a year for the car that will replace the Rover 600 and 800 series.

Even supposing that some staff are transferred from building engines to the more labour intensive business of bolting together cars, that still suggests a productivity leap of 40-50 per cent. It's not quite, says Dr Walter Hesselbus, who has just cruised over from Berlin on his BMW1000 motor cycle to take charge at Longbridge. The figure has in mind for efficiency savings is more like 4 per cent a year. That, according to BMW, would still be world-class but it is a far cry from the improvements implied by its ambitious production targets.

The discrepancy can be explained by the mountain of cash that BMW intends to throw at the old dog to get Rover where it wants it

to be in the next decade. The Germans plan to spend a cool £3bn on Rover before they see a single penny in profit back.

The ultimate driving machine has taken on the ultimate task. It plans to replace the entire product line-up and cut the number of basic platforms that Rover and Land Rover use from 11 to seven while overhauling quality standards so that the doors close with a clunk not a click.

If BMW is ever to make decent profits on such colossal investment it can only mean one thing - that the price of a Rover will start to march smartly upwards. If you think the current Mini is expensive at a shade under £9,000 just wait until you see the new version for the next millennium. The one thing that Rover's customers are not used to is paying top prices for their cars. Convincing them otherwise will be almost as hard a task as knocking Longbridge and Cowley into shape. Certainly it is going to take all BMW's legendary marketing skills.

## Clarke fights to keep hand on the tiller

Only the none-too-distant noise of knives being sharpened will disturb Kenneth Clarke today as he stands up at the Conservative Party conference to stake his claim to being the best Chancellor for a generation. Steady growth, low inflation, the lowest

mortgage rates for more than 30 years, room for modest tax cuts in November and, what is more, the Government's books can still be made to balance by the turn of the century, according to yesterday's Green Budget from the Institute for Fiscal Studies and Goldman Sachs. He can have it all.

Or can he? Minutes of his meeting with Eddie George a month ago reveal the Governor to be steadily arming himself to argue for an increase in interest rates. Mr George has upgraded his warning from "risks to the inflation target probably on the upside" in June's minutes (when he argued against the last quarter-point cut in base rates) to "significant risk to the inflation target".

The IFS's Green Budget, still by far the best of the current-cumulative tones traditionally published ahead of the real thing, warns that achieving the Government borrowing targets depends crucially on successful control of public spending. Mr Clarke has confirmed with his spending plans for the past three years (no mean feat this), but it becomes much tougher from here on in. Moreover, the Green Budget assumptions on tax receipts rely on growth in GDP staying above the long-term average for the next five years without triggering inflation. You have to be a hopeless optimist to believe either of these two things will happen in practice.

What's more, the Chancellor's success in negotiating these obstacles - and, let's be fair, he has steered well so far - is under unusually intense scrutiny by the financial markets.

For this he can thank the Tory equivalent of Labour's loony left in the early 1980s, the disturbingly large group of Conservatives who think the way to win the election is to burn bridges with Europe and slash and burn taxes and spending. Their influence negates the credit the Chancellor gets for his steady hand on the macro-economic tiller. As far as the markets are concerned, Britain has the best performing economy in Europe, but it also contains the greatest political risk, too.

## British Energy runs flat out to stand still

The fact that British Energy is getting rid of almost a quarter of its staff should not prompt people living near its power stations to decamp to safer places, or at least not yet. Though a nuclear station is a more delicate animal than a coal or oil fired one, and needs tender loving care 24 hours a day, the job reductions confirmed yesterday are not going to leave the station control panels unmanned.

Indeed, the proposals are modest compared with what happened among the privatised fossil fuel generators. National Power found it could dispense with the services of 70 per cent of its pre-privatisation staff, and PowerGen not much less. It was this unexpectedly high scope for efficiency gain that made the generators, and their regional distribution sister companies, into such unbridled cash machines.

They have proved far more valuable than the City dreamed when they were first privatised. British Energy is different. Its plans need to run flat out all the time to be economic. As a consequence, the scope for further improvements in efficiency are less pronounced.

With this latest package, British Energy is probably going about as far as it properly can. The Nuclear Installations Inspectorate, the safety body, would certainly look with suspicion at any further inroads into staffing levels. So if British Energy cannot employ the slash-and-burn tactics of the rest of the industry to increase shareholder returns, what can it do on earth can it do once the present programme has run its course?

Hopes of building another pressurised water reactor power station had to be abandoned ahead of the privatisation; the economics of these things were so ludicrous that they would not have stood up to examination in the prospectus. At one stage there was a grand plan for expansion into gas fired power stations, but we have more than enough of those already in Britain so that strategy has fallen by the wayside. Indeed, there are no current plans for British Energy to do anything at all in the UK off its own bat. Joint ventures seem to be the name of the game.

The shares, at 108p, stand 3p above the privatisation price - an acknowledgement of what a parish stock this remains. This is a company whose expertise is the management of decline, for unless things change dramatically, these power stations will never be replaced.

# Tighter spending 'will pay for tax cuts'

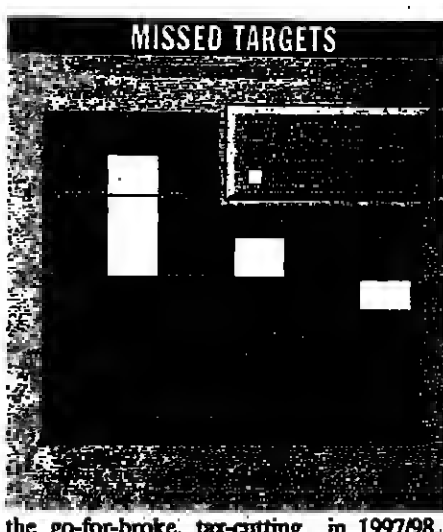
DIANE COYLE  
Economics Editor

Kenneth Clarke, Chancellor of the Exchequer, should not cut taxes in next month's Budget, but probably will. Even so, he will be able to publish plans showing the Government's budget balancing at the turn of the century by pencilling in spending cuts, according to an independent analysis published yesterday.

The respected annual *Green Budget* by the Institute for Fiscal Studies and investment bank Goldman Sachs predicts tax cuts worth £3bn, equivalent to 2p off the basic rate of income tax, and the same size as last year's giveaway.

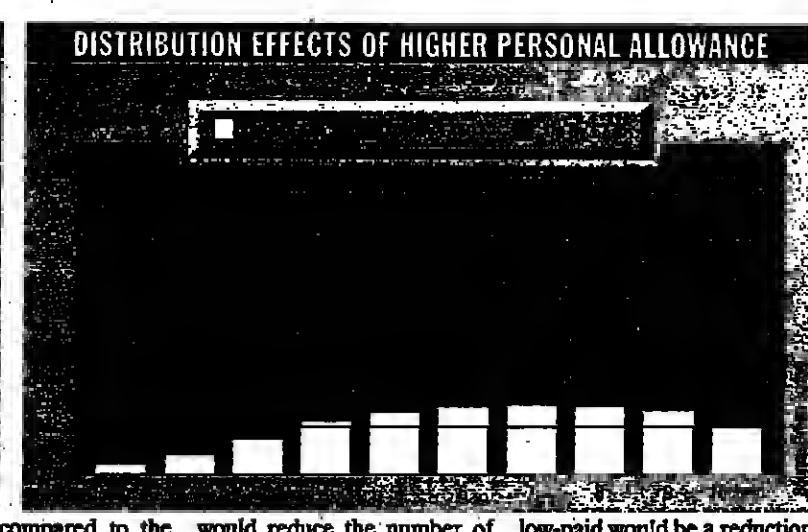
"We do not recommend tax cuts but we expect them," said Gavyn Davies, chief economist at Goldman Sachs. He said tax cuts would not jeopardise the Chancellor's aim of achieving budget balance by 2000 because they would be paid for by further cuts in planned spending. The key question would be whether the Government could hit its spending targets.

Mr Davies said: "This is not



the go-for-broke, tax-cutting package that the right wing of the Conservative Party would like to see.

The *Green Budget* forecasts show a similar profile for future public borrowing to the Treasury's latest forecasts, regardless of whether party wins the General Election. In fact, its figures are more optimistic, putting the Public Sector Borrowing Requirement at £26bn in the current financial year and £21.5bn



in 1997/98, compared to the £26.9bn and £23.1bn in the Treasury's Summer Forecast.

It assumes there will be a reduction in income tax equivalent to 2p off the basic rate but possibly taking the form of an increase in tax allowances or widening of the lower-rate tax band instead.

Of the three options, raising the personal allowance helps the poorest income groups the most. An increase of £175

would reduce the number of taxpayers by 500,000. A reduction in the basic rate is least helpful to the low income groups.

Shadow Chancellor Gordon Brown's proposal for a 10p lower rate of income tax would be of greater value to poorer households than a reduction in the basic rate, according to the *Green Budget*, although still not as effective as a higher personal allowance. Best of all for the

low-paid would be a reduction in VAT.

Dramatic changes in corporate taxation are unlikely this Budget, beyond further steps to close tax loopholes, the report argues. The IFS warned investors to watch out for a reduction in Advance Corporation Tax if the lower rate of income tax falls, because a lower ACT rate raises revenue from tax-exempt and top-rate shareholders.

It also expects higher vehicle excise duty and a rationalisation of alcohol duties to bring tax on spirits closer into line with duties on wine and beer.

The *Green Budget* recommends a phased abolition of profit-related pay. "Tax relief on PRP schemes should never have been allowed to get out of hand in the way it has," it says.

The outlook for the public finances depends on economic growth and inflation as well as the Government's tax and spending plans. The *Green Budget* forecasts inflation staying at 2.3 per cent in 1997, falling to 3.5 per cent in 1998, falling to a still-buoyant 2.8 per cent thereafter. Healthy growth should help tax revenues.

However, yesterday's document raised questions over the Government's ability to meet tough spending targets. Low inflation means that public expenditure has grown faster than planned in real terms.

The *Green Budget* predicts there will not be any pressure on public sector pay after the election, as long as numbers employed in the public sector continue to fall. The continuation of the private finance initiative will allow public sector investment spending to shrink further.

It scotches the myth that local authorities have a pot of accumulated capital receipts from council house sales to spend. The receipts have either been spent on investment projects or used to build up local authorities' financial assets, reducing past PSBRs in either case.

The difficulty on the public spending front is the longer term one of pressure on the social security, health and education budgets. These three account for almost 60 per cent of total expenditure, and their share has risen steadily at the expense of other areas.

Economic view, page 28



Sir Colin Marshall: Focusing on distribution activities

## Inchcape sells ITS for £380m

TOM STEVENSON  
City Editor

Inchcape sold its Testing Services business to Charterhouse Development Capital yesterday for about £100m more than analysts' original expectations. The £380m price tag secured by the oem managing director, Philip Cushing, will make a big dent in the distribution group's debts, which stood at £463m at the end of last year.

Inchcape's shares, one of the market's worst performers in recent years, closed 8p higher at 276p. Despite the rise, they remain less than half the 625p at which they peaked in March 1993 before the strength of its core motor distribution operations.

Sir Colin Marshall, chairman, said a profit of about £180m would be struck on the sale, which he said was "consistent with the strategy we announced in March, and is a

major step towards focusing Inchcape as an international distribution group".

Inchcape said at the time of its full-year figures in March that it would focus on its distribution activities, which include motor trading, soft drink bottling and the distribution of consumer and industrial products and office equipment.

ITS is one of the world's largest non-automotive testing organisations, operating 175 testing laboratories and 342 offices in more than 80 countries. It provides testing services in product quality and conformity testing, commodities testing and minerals and environmental testing. In the year to December 1995, ITS made operating profits before exceptional of £24.8m. It had a book value of about £35m.

When the price achieved for ITS was rumoured analysts were amazed that a venture capital group had paid such a full price.

# Ken and Eddie move further apart on rates

Kenneth Clarke and Eddie George, the two titans of economic policy, moved further apart on interest rates when they met a month ago, writes Diane Coyle.

Although the gap between them was only a quarter of a percentage point, Mr George said the "significant" risk to the inflation target if base rates did not go up by that much soon, while Mr Clarke insisted that there was no sign yet of inflationary pressures.

According to minutes of their

meeting on 4 September, published yesterday, the Governor said the short-term outlook for prices was favourable but demand was trending up. "That pointed to inflation picking up again in the course of next year, putting the inflation target at significant risk in 1998," he argued.

Economists read much significance into that "significant". The Bank is grinding itself up to recommend in no uncertain terms that rates be raised," said Geoff Dicks at NatWest Markets. He said this could be

expected by the time it published its next Inflation Report on 6 November.

Mr George said the Bank would prefer a "marginally tighter" policy now and warned that the longer the delay, the bigger the increase that would be needed.

However, the Chancellor replied that there were no signs of unsustainably fast growth. He added that there was "certainly no sign of any housing market boom". The minutes record that, in a piece of creative

interpretation of Mr George's remarks, "he was inclined to agree with the Governor that there was no case for moving interest rates in either direction on this occasion".

City analysts still reckon there is little chance that Mr Clarke will put up the cost of borrowing before the election, although all most think the next chancellor will have to bite the bullet.

The economic evidence will continue to be mixed, as indicated by this week's figures showing flat manufacturing out-

put in the first eight months of the year. The figures will not all be pointing in the same direction for some time.

However, the shape of the Budget and the strength of sterling are likely to influence the Bank's view.

The pound has gained 1.5 per cent value since the 4 September meeting, which will have the same effect as a small rise in interest rates if it is sustained. A cautious Budget would also allow Mr George to keep his powder dry.

## IN BRIEF

• Investec Bank of South Africa is in advanced negotiations to buy Carr Sheppards, one of the City's leading private client stockbrokers, from Banque Indosuez. Carr Sheppards, which focuses on portfolio management for private clients, charities and pension funds, has been looking for a buyer since Banque Indosuez reviewed its strategy last year and decided to concentrate on its core business. "There was no shortage of interest which meant that the selection process was long and involved," said Fred Carr, chief executive of Carr Sheppards, which will continue to operate as a separate entity under the terms of the deal. Indosuez and Investec hope to conclude the deal by December.

• Stagecoach, the Perth-based bus operator, yesterday claimed a first in completing the securitisation of £545m of debt associated with its controversial takeover of the Porterbrook rail leasing company. Although the group will keep the debts on its balance sheet, there will be no recourse to Stagecoach, which will bear an average fixed cost of around 7.4 per cent on the funds raised. The main securitisation vehicle has issued £443m of triple-A-rated bonds backed by Government-guaranteed leasing revenues payable by Porterbrook's 16 train operating company customers. Earlier this year, Nomura used securitised debt to buy Angel Train Contracts, a rival rail leasing group.

• Lloyds Chemists, subject of rival £600m takeover offers earlier this year, blamed uncertainty created by the bids for a fall in profits from £55.6m to £47m in the year to June. However, the group remains optimistic that Gehe, the German group, and rival Unichem will be cleared to rebid by next Friday's deadline, set by the competition authorities following a Monopolies and Mergers Commission inquiry. Hit by staff defections caused by low morale, the wholesaler business saw profits slip by £2.8m to £13.2m. The bid uncertainty has also slowed the conversion of the Drugstore chain to a new health and beauty format.

• The Radio Authority yesterday announced it would seek applications for three new regional commercial radio licences in the North-west, the North-east and in Central Scotland. It also expects to advertise a national digital radio multiplex during the fourth quarter of 1997.

• Deutsche Telekom said more than 2.5 million people had expressed interest in buying shares in the company when the first tranche is floated in November. Retail investors have until 11 October to register with the company for special incentives, including price discounts on shares purchased. "Demand is exceeding all expectations," the company said. Since the beginning of the week, it has had to double the number of people handling investor inquiries. The company was receiving 70,000 calls an hour, it said.

# Murdoch set to take row over Fox to court

DAVID USBORNE  
New York

Rupert Murdoch was expected last night to file a lawsuit in a New York federal court against Time Warner in an increasingly bitter and public spat over cable access for his Fox TV 24-hour news channel, which was launched this week.

The court action was the latest development in a clash involving some of the world's biggest media titans - Mr Murdoch himself, Gerald Levin, the chairman of Time Warner, and Ted Turner. The final merger between Time Warner and Turner Broadcasting is set to be approved by shareholders today.

The drama, which last month spurred Mr Turner to compare Mr Murdoch to Adolf Hitler, has also drawn in almost the entire political establishment of New York state. Republican leaders - notably New York City Mayor Rudolph Giuliani and Governor George Pataki - have weighed in to support Mr Murdoch.

Mr Murdoch's News Corp, which owns Fox TV, is accusing Time Warner of reneging on an agreement to provide space for its all-news channel on Time Warner's cable system in New York City. Time Warner ended negotiations with Fox last week

and opted to carry only Mr Turner's CNN, the market leader, and another entrant to all-day news, MSNBC, a joint venture between NBC and Microsoft.

The lawsuit, which was to be filed before the end of business yesterday, is believed to accuse Time Warner of violating anti-trust laws by spanning Fox. It will seek an injunction against the completion of its merger with Turner Broadcasting and is also said to seek financial compensation. Most observers believe that to survive the Fox channel must be seen in New York.

"We know we had an agreement," Arthur Siskind, the lawyer representing Fox said. "There are documents that reflect all the material terms in the agreement". A condition of the federal approval of Turner Warner's merger with Time Warner is that its cable system should carry at least one other news alternative to Turner's CNN.

In a statement of its own, Fox added that the lawsuit would allege that a "conspiracy has taken place prior to the still-to-be consummated merger" to freeze Fox out of the Time Warner cable network.

"The lawsuit is utter foolishness," Richard Parsons, president of Time Warner, said through a spokesman.

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## business

## Stagecoach offers an exciting ride

Stagecoach has cut a dash in the world of privatised bus groups, and not just because of the orange jackets sported by its executive chairman, Brian Souter. The Perth-based group spotted early on the huge profits to be made from buying up, rationalising and re-integrating parts of the former nationalised and municipal bus groups. The results have been reflected in a share price which has outperformed the rest of the market by around 270 per cent since flotation in April 1993. Yesterday's innovative repackaging of £545m of leasing assets taken on with the Porterbrook rolling stock company is part of the group's attempt to repeat its success with the rail industry.

Assuming the regulatory authorities do not put a stop to Mr Souter's ambitions, the potential is huge. Earlier this year Stagecoach paid a nominal sum for South West Trains. Yet by 1999, on the estimations of the company's own broker, UBS, that seven-year franchise could be chipping in profits of £21m. But even that pales into insignificance besides Porterbrook. That £825m deal, part-financed by July's £111m rights issue at 410p, could be bringing in operating profits of £97m by the end of the century, or 38 per cent of the group total, according to UBS.

With deals like these, it is not hard to see why Stagecoach has tendered for the other 12 train operating companies still to be offered for sale. Yesterday's securitisation clears the balance sheet for more deals. As the table shows, the group's hunger for acquisitions has sent debts soaring. The combination of Porterbrook and last month's £233m acquisition of Swetbus, the Scandinavian bus operator, would have sent gearing to a stratospheric 600 per cent. After securitisation, debts with recourse to Stagecoach will only be equivalent to gearing of somewhat over 200 per cent.

Bankers are apparently happy to continue to finance Stagecoach, but future deals are more likely to be outside the group's traditional areas. The top five bus operators are estimated to control 70 per cent of the market. The scarcity of acquisition targets means prices have been rising and the urban operators, more insulated from the general fall in bus travel, are likely to command high premiums.

Stagecoach is still a long way from relying solely on its declining markets for future growth. The danger is rather that the group's management will be stretched beyond breaking point.

Profits could be anywhere from £90m to £100m this year, putting the shares, down 8p at 569.5p, on a forward multiple of between 16 and 18. Compared

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

to an earnings growth rate of more than 30 per cent that still looks good value, but there are risks as well, not least of which would be a Labour government unfriendly towards rail privatisation.

## Austin Reed tailors its look

Austin Reed has done well to bounce back from the disaster of 1995/96 when the men's and women's clothes retailer paid the price for ditching its classic women's business suits in favour of a less structured, casual look. The spring and autumn ranges were spurned by customers forcing two profits warnings and an eventual halving in the group's pre-tax profits to £3.4m.

Given womenswear only accounts for 20 per cent of group sales and profits, the impact was surprisingly severe.

But chief executive Chris Thomson has moved quickly to put the company back on track. The classic, more

tailored look in womenswear has been restored and new management brought in. The result is a much more focused approach with a stricter attitude to costs.

The benefits are starting to show with a jump in pre-tax profits from £1.7m to £2.6m in the six months to August. Sales in the 46 shops were up by 8 per cent during the half and 9 per cent in the three months since.

With more focus on stock control there have been fewer mark downs and better margins. There are plans for three more stores but management's main priority is not to expand but consolidate what they've got.

Profits at the manufacturing division were flat but the factory has been completely overhauled and is winning new business. Licensing income was also static at £1.4m though new deals have been signed in South-east Asia.

Like Moss Bros earlier this week, Austin Reed looks well placed to benefit from the consumer upturn as well as the popularity of classic tailoring. But it has to get the products right. The real change seems to be the new management which has brought

a breath of fresh air to this near 100-year-old company.

Mr Thomson says last year was a hiccup. The shares have certainly traded erratically in the last two years, bungee-jumping between 160p and 240p. They closed up 5p to 219.5p yesterday. With NatWest forecasting full-year profits of £5.8m, the shares trade on a forward rating of 18. Given the prospects, they are worth holding.

## Country Casuals stays in the red

For much of the past year, Country Casuals shareholders have had few regrets about turning down former chairman John Shannon's opportunistic 140p-a-share bid for their company. The shares reached 179p at one point in the spring.

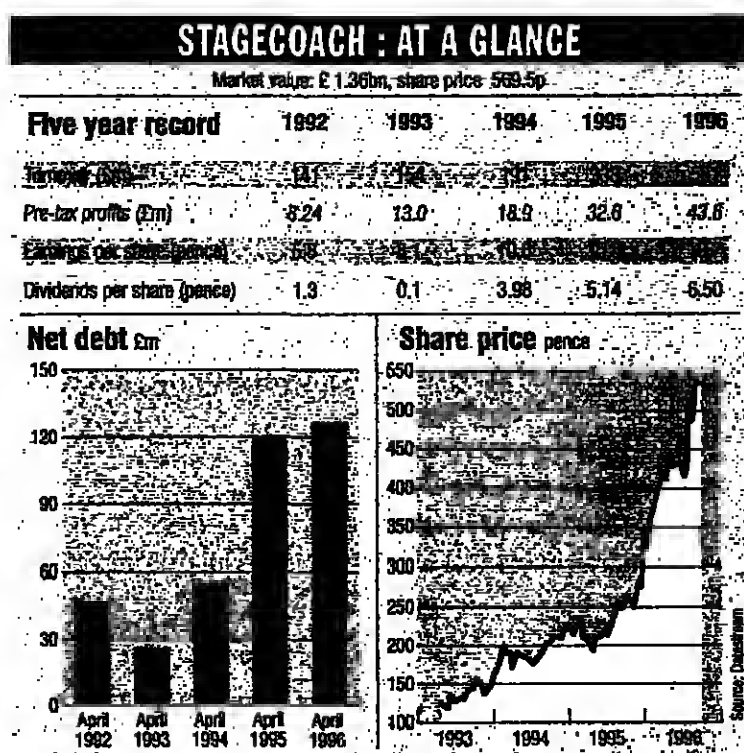
It has been pretty much downhill all the way since then, however, and yesterday, after disappointing interim figures, they dipped below the offer price for the first time, closing 19p lower at 136.5p. Anyone who has stood by the company has paid a considerable opportunity cost.

Of the company's three divisions, two had a poor first half, so although the interim loss was reduced from £1.04m to £812,000, the company remains in familiar red territory. Analysts' forecasts of about £3.5m profit in the year to next January were yesterday reined in to £2.4m.

The core Country Casuals brand never really managed to recover from a weak first quarter and like-for-like sales were flat in the first half. Worse, because much of that turnover was struck in July during the summer sale, gross margins fell from 60 to 57 per cent. As a result, interim profits were a third lower at £236,000.

The other duff area was Lerose, the manufacturing arm, where sharply reduced demand from one customer led to a rise in the first-half loss from £145,000 to £365,000. Elvi, the outside clothes specialist saw year-on-year growth of 19 per cent and a rise in the gross margin but the aftermath of a heavy store-closure programme persists and despite a reduction, the loss was still a sizeable £700,000 (loss of £1.3m).

An increase in the interim dividend from 1.4p to 1.7p was designed to signal confidence in the future, and analysts still expect good growth next year, but until there is more concrete evidence of recovery the shares, on a forward p/e of 16, are high enough.



## Journalists behaving badly in the Bahamas

PEOPLE &amp; BUSINESS

News just in: "Men Behaving Badly" magazine has launched a new magazine called *Millennium Man Monthly*, which is failing miserably to take off. Supporting the launch of the magazine and keeping it on the news-stands has meant that *Men Behaving Badly* magazine is now in severe financial difficulty.

For those of you, like me, who had never heard of such a magazine, only the TV show, the explanation is that this is part of a fictional scenario put together by the Society of Practitioners of Insolvency (the people who wind companies up).

The idea is to invite a number of journalists along, yours truly included, to play out a "business rescue game" to see how receivers spend as much time rescuing insolvent businesses as burying them.

Colin Bird, senior corporate recovery partner at Price Waterhouse, will oversee the game. Simon Breakley, managing partner at accountants Buchler Phillips, will play the insolvent practitioner and Stephen Gale, a partner at law firm Hammond Suddards, will rule on what is legal and what is not.

"Should you choose to accept this invitation, you and other journalists will be playing key roles in the scenario," says SPL. Sounds great. I think I'll be the businessman who legs it to the Bahamas with the loot.

A missive reaches me from the Corporation of London: "Lord Mayor's Show welcomes Britain's Olympic heroes."

To which one might respond, if one were being churlish: "Sounds like a pretty small show, then."

Which would be unfair. This year's parade through the streets of the City on 9 November will cost £3m. Our only gold medal winners from Atlanta, oarsmen



Uncertain future: Will 'Men Behaving Badly' be wound up?

Steven Redgrave and Matthew Pinsent, will be in the parade as part of the Port of London's entry.

Also parading will be the next Lord Mayor of London, Alderman Roger Cork, who will take over from Sir John Chalfrey on the Friday before the show.

Ald Cork is following in his father, Sir Kenneth Cork's footsteps. Sir Kenneth, who was Lord Mayor in 1978-9, virtually invented the modern profession of insolvency and wound up the old Rolls Royce company in the 1970s. He also founded the Cork Gully receivership firm, now owned by Coopers & Lybrand, where Ald Cork spent 25 years also as an insolvency practitioner.

Ald Cork is now a partner with Moore Stephens. His business colleagues in the Corporation will no doubt be on their best behaviour, lest he liquidates them.

Gavin Davies, Goldman Sachs's economics guru and adviser to the Labour Party, as well as columnist for this newspaper, was at the shindig yesterday to launch the *Green Budget*, which is produced each year by the

Institute of Financial Studies. Gordon Brown, shadow chancellor, has promised a "proper" green budget when Labour sweeps to victory. Which raises a delicate problem - will Mr Brown be willing to contract out Labour's green budget to the obvious candidate, Mr Davies? Or will he do it himself? Watch this space.

A galaxy of City worthies is off to Greece in a fortnight's time to run a marathon for charity on the original path between Marathon and Athens used by Pheidippides in 490BC to report the defeat of the invading Persians.

The Athens Centenary Marathon is being organised by John Campbell, managing director and co-founder of Campbell Luitens, a corporate finance boutique.

It will mark the centenary of the first modern Olympic Games in Athens, he says. Among the runners is the founder of *The Independent*, Andrew Whitman Smith, a keen runner who has not yet run a marathon. "I'll be doing a mixture of running and walking," he says modestly.

John Willcock

## 1 THE INDEPENDENT

## PLAY FORMULA 1 DREAM TEAM

WIN a drive in a grand prix car

Today is the final day that you can enter for Formula 1 Dream Team. Register today for the Japanese Grand Prix and you stand the chance of winning a day out testing with the Tyrrell team.

Throughout the season we have offered prizes to the winning Dream Team in each individual grand prix. The champion of our Formula 1 Dream Team game for the whole 1996 grand prix season will win our overall prize, a drive in a Formula One car.

Your team must comprise three drivers, a chassis and an engine; your budget is £40 million. Make your selections from the grand prix shopping list (printed right); the only restriction is that your third driver must come from the £1 million category. Details of how to enter are given on this page.

## HOW YOU SCORE

Points are awarded per race to the top six finishers, based on the Formula One World Championship points scoring system (10, 6, 4, 3, 2, 1) but with an extra 10 points awarded to each of the top six finishers. All drivers are eligible to score for a top six finish but can also notch up extra points as follows:

- The fastest driver in race-day warm-up will collect six points, with five for the second and so on down to one point for the sixth quickest.
- Drivers score one point for each place they make up over their grid position. Points are not deducted by losing places.
- Five points are lost if your driver posts first retirement, four for second down to one point lost for the fifth retirement.
- If your driver makes the quickest pit-stop (from the entry of the pitlane to the exit) you gain five points.
- If your driver sets the fastest lap time in the race, you gain five points.
- If your driver receives a stop/go penalty, you lose five points.
- If your driver starts on pole position, you gain five points.
- The Independent will name a Driver of the Day after each race for a particularly impressive performance, worth five points.
- Non-qualification for a grand prix loses you two points. If a driver is in the FIA's published starting grid but fails to take the start, no points are lost.



Plus prizes to be won with every grand prix

## DREAM TEAM TOP PRIZE

The Dream Team manager with the highest number of points at the end of the Grand Prix Championship season will win our top prize: a drive in a 650bhp F1 car. You will be flown to the AGS team's training school in the south of France for the most exhilarating experience of your life. The school specialises in F1 courses and provides all the racewear and instruction you will need for a day driving F1 and other single seat cars.

## JAPANESE GRAND PRIX PRIZE

The Dream Team manager with the highest number of points following the Japanese Grand Prix will win a day out testing with the Tyrrell Formula One team at Silverstone.

- Drivers removed from the results for any reason lose all points gained that weekend. Any driver not competing in a grand prix weekend scores no points.
- Chassis score and loss points in the same way as drivers for a top six finish or any early retirement. The score is based on the first chassis home of that particular manufacturer. Likewise, only the first chassis retirement will count if they are both among the first five to retire.
- Engine rules are the same as the chassis rules, without the retirement penalties.

## HOW TO ENTER

Choose your Dream Team from the shopping list on this page. Remember, you must choose three drivers (the third from the £1 million section), one chassis and one engine. You must not exceed your budget of £40 million.

Give your team a name and register it by ringing 0891 891 805. You will immediately be asked the entry question: How many races are there in this year's Formula One World Championship?

To enter your Dream Team details you can use one of two methods.

Method 1 uses a tone phone that lets you key in the code numbers of your driver, chassis and engine choices. The computer will check that your team falls within budget and is eligible.

Method 2 uses a non-tone phone and you give your details verbally. A budget check is not possible using this method.

When you have registered your Dream Team, you will be asked to predict the number of points this year's champion will notch up over the year. In case of a tie at the end of the season, the nearest figure to the champion's points will win the top prize. In the event of a further tie, the team that registered first will win.

Once you have registered your team you

will be asked for your name, address and telephone number. Your team selections plus your personal details will be played back to you and, when you confirm that they are correct, you will be given a PIN number.

This is confirmation of your entry and will enable you to access the score checking line.

There is no limit on the number of teams an individual can enter, but only one team can be registered per call.

## CHECKING YOUR SCORE

You can check your team's position at any time by calling 0891 891 806 and quoting your PIN number. If you want to know the individual driver, chassis and engine scores from the most recent race, call 0891 891 807. This line will also list the Top 50 Formula One Dream Teams.

## Rules

1. All telephone calls are charged at 45p per minute (cheap rate, 50p per minute at all other times), with a typical call to secure your entry lasting between five and seven minutes.
2. The deadline to be included in a particular race is midday the Friday prior to that race.
3. The judge's decision is final, no correspondence will be entered into and there is no cash alternative for prizes.
4. Employees of Newspaper Publishing Plc, Haymarket Publishing Ltd and all associated companies and their families are ineligible.
5. Entrants must be 18 or over and residents of the UK or the Irish Republic.
6. To be eligible for the main prize, you must hold a current driving licence, be no more than 1.95m tall and weigh no more than 220lbs.
7. All scores will be worked out according to the official FIA time sheets produced at the meeting. The values stated for drivers, engines and chassis bear no relation to real life.
8. In the event of a tie for the Dream Team Top Prize or for any of the individual race prizes, the team that registered first will win.
9. For lost PIN numbers please call: 0891 891 808. For our Helpline call: 01275 344183.
10. The Top 50 Teams Line, lists the top 50 teams from the last race. Both the Team Position Check Line and the Results & Top 50 Teams Line will be updated at 2 pm on the Monday following a race.

## Shopping List

## DRIVERS

£225m  
1 M Schumacher  
£23m  
2 J Alesi  
3 D Hill  
£20m  
4 G Berger  
£18m  
5 D Coulthard  
6 E Irvine  
7 J Villeneuve  
£13m  
8 M Hakkinen  
9 H H Frenzen  
£10m  
10 M Brundle  
11 R Barrichello  
12 J Herbert  
£6m  
13 M Salo  
14 P Larri  
£4m  
15 P Diniz  
16 U Katayama  
17 J Verstappen  
18 O Panis  
£3m  
19 I Badoer  
20 R Rosset  
21 A Montanari  
£2m  
22 G Fisichella\*  
23 V Sospit\*  
24 T Marques\*  
25 F Lagorce\*  
26 H Noda\*  
27 T Inoue\*  
£1m  
28 M Blundell\*  
29 J C Bouillon\*  
30 K Brack\*  
31 K Burt\*  
32 E Collard\*  
33 N Fontana\*  
34 D Franchitti\*  
35 N Larini\*  
36 J Magnussen\*  
37 A Prost\*  
38 G Terquint\*  
39 K Wendlinger\*

## CHASSIS

£20m  
40 Benetton  
41 Williams  
£18m  
42 Ferrari  
£15m  
43 McLaren  
£14m  
44 Sauber  
45 Jordan  
£10m  
46 Ligier  
£6m  
47 Tyrrell  
£5m  
48 Arrows  
£3m  
49 Minardi  
£2m  
50 Fort\*

## ENGINE

£26m  
51 Renault  
£18m  
52 Ferrari  
£15m  
53 Mercedes  
£12m  
54 Peugeot  
£10m  
55 Mugen  
£8m  
56 Ford V10  
£6m  
57 Yamaha  
£4m  
58 Hart  
£3m  
59 Ford Zetec V8  
£2m  
60 Ford ED V8

1996 RACE SCHEDULE  
Japanese GP  
October 13

Not competing in the Japanese GP

DREAM TEAM registration: 0891 891 805

TEAM POSITION CHECK LINE: 0891 891 806  
RESULTS & TOP 50 TEAMS: 0891 891 807

JPL 100150



## market report / shares

DATA BANK	
FTSE 100	4009.3 -26.3
FTSE 250	4431.3 -4.0
FTSE 350	1995.4 -10.7
SEAO VOLUME	645.7m shares, 40,997 bargains
Gifts Index	95.10 +0.20
SHARE SPOTLIGHT	
	

## Yeltsin rumours push Footsie back towards 4,000

TAKING STOCK

The FTSE 100 index drifted back towards the 4,000-level yesterday, weighed down by a weak opening on Wall Street and rumours, later denied by Moscow officials, that Russian president Boris Yeltsin had either stepped down or died.

Mr Yeltsin is said to be still working from a hospital bed outside the Russian capital, but the same added to the jittery state of global bond and equity markets. The index of leading UK shares closed down 26.3 points at 4,009.3, just off their intraday lows.

Drugs were on a downer after US selling and a bearish broker comment on Glaxo Wellcome from Lehman Brothers. The broker cut its recommendation to hold from buy on concerns that Glaxo had been upstaged by Biogen Pharma in releasing data about its lamivudine drug for Hepatitis B. Glaxo's shares were the

weakest among the blue chips, falling 31p to 990p. Zeneca slipped 38p to 1612.5p in sympathy, as did SmithKline Beecham, which slipped 15.5p to 800p despite Merrill Lynch doubling its core holding in the company after meeting directors.

Oils, another favoured sector for US investors, also suffered as Brent crude prices struggled to hold \$24 a barrel. Enterprise closed 16.5p lower at 568.5p. Laseco was down 5.5p at 218.5p and BP was off 11p at 688.5p, while Shell closed 12p lower at 1028p.

Day two of the rest of Europe's stock market life saw further selling, this time from French investors. The shares dived 11.5p to 93.5p amid renewed uncertainties about this week's £4.7bn debt restructuring deal.

BT continued its poor run, declining 7.5p to 348.5p—the lowest level in three months—



## MARKET REPORT

PATRICK TOOHER

after Germany's RWE called off its telecoms alliance with the UK operator and German utility Viag.

After the market closed Cable & Wireless, down 4p at 430p, confirmed it had extended its alliance with Veb, another German utility, to include RWE in a bid to address the German telecoms market, the largest in Europe.

On the positive side, supermarket giant Asda was among the top Footsie performers, putting on 2p to 109.75p after a buy recommendation from broker SBC Warburg.

Glass maker Pilkington managed a 3.5p climb to 187.5p, making the shares the

best Footsie performers of the day. There was vague talk that optimism on German interest rates was supporting the stock, though analysts fear that weak trading conditions in continental Europe could see profits well below the £100m they currently have pencilled in.

Millennium & Copthorne added 2p to 320p on further consideration of yesterday's £81m purchase of the Britannia hotel in London's Grosvenor Square. House broker NatWest likes the deal, M&C's first since flotation in April, and has raised next year's profit forecast by £1m to £20.9m.

The bomb attacks on British

army headquarters outside Belfast, and the de facto end of the IRA's two-year ceasefire in Northern Ireland, hit Dublin-based Jarys Hotel, down 10p to 280p.

Investors' love affair with pub companies and themed restaurant groups shows no signs of waning. Regent Inns raced ahead 6p to 252.5p, PizaExpress served up a 6p increase to 499.5p and JD Wetherspoon was again in demand, up 11p to 1147.5p.

Shares in Sheffield-based Eurostar, one of the new issue flops from the class of 1994, continued their slow rehabilitation, closing 14p higher at 67.5p as the black maker returned to the black. Pre-tax profits reached £1.4m in the year to July versus a loss of £1.2m a year ago following a revamp of management and strategy at its surface treatment, filtration and component manufacturing units. The div-

idend is raised to 3p from 0.51p.

Floated at 141p in November 1994, the shares fell to as low as 33p on the back of two profit warnings and heavy losses. But interest in the shares grew earlier this year when Manchester-based engineer Villiers built up a 12.3 per cent stake. House broker Albert E Sharp looks for pre-tax profits this year of £2m, putting the shares on a forward multiple of less than seven and yielding 7.5 per cent.

Shares in Frost motored ahead 7.5p to 130p after the petrol retailer said an easing in the forecast price war had led to a strong recovery at its Save stations.

Albert Fisher added 1.25p to 40.75p with a healthy 5.1 million shares traded. Hopes are rising that the food processor will announce the sale of its US distribution business. A price tag of £60m has been suggested.

Shares in AIM-quoted Dawson Holdings, Britain's third largest newspaper distributor, rose 30p to 167.5p for a two-day gain of 75p. The jump follows a site visit on Tuesday by analysts and fund managers. Dawson's shares are among the most liquid on AIM and were the most heavily traded on the junior market in July.

BTG, the old British Technology Group, moved sharply higher in late trade. The shares closed up 37.5p at 2387.5p on hopes that Ford is about to sign a licensing deal for Torotrak, BTG's automotive transmission system that saves on fuel consumption.

A tour of institutional investors is paying off for Jarvis. Shares in the construction group, which owns a British Rail maintenance contract, rose 5.5p to 103p.

## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: r: Ex rights; x: Ex-dividend; a: Ex all UK Unlisted Securities Market; a: Suspended; pp: Penny Paid; pm: All Paid Shares; a: All Stock.

Source: FT Information

## The Independent Index

The Index allows you to access real-time share prices by phone from Seag, Simply dial 0801 223 333, followed by the 4-digit code printed next to each share. To access the latest financial reports and other information, simply dial 0801 223 333, followed by one of the two-digit codes below.

For assistance, call our helpline 071 675 4376 (9.30am - 5.30pm).

Calls cost 30p per minute (cheap rate), and 40p at all other times. Call charges include VAT.

## Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
United Technologies	950000	ASDA Group	820000	BP	670000	Heron	500000
BT	1000000	Lyons	150000	Glaxo Wellcome	500000	Bank of Scotland	500000
BT	1000000	Cable & Wireless	700000	British Energy	500000	British Air	500000
British Steel	1000000	Lloyds	700000	Rolls Royce	500000	Waco	400000
BT	1000000	Shell	500000	Shell Transport	400000	Waco	400000

## FTSE 100 Index hour by hour

Open	4002.55 down 10.1	11.00	4022.3 down 15.3	14.00	4021 down 10.5
09.30	4021.15 down 11.5	12.00	4023.7 down 11.9	15.00	4021 down 10.5
10.00	4025.4 down 7.2	13.00	4022.3 down 11.9	Close	4009.3 down 26.3

Alcoholic Beverages	
Asahi	1000.00
Beck's	1000.00
Carlsberg	1000.00
Heineken	1000.00
King	1000.00
Miller	1000.00
Stout	1000.00
Tate	1000.00
Watson	1000.00

Banks, Merchant	
Barclays	1000.00
HSBC	1000.00
London	1000.00
Mitani	1000.00
NatWest	1000.00
Paragon	1000.00
Prudential	1000.00
Standard	1000.00
TSB	1000.00

Banks, Retail	
Bank of Scotland	1000.00
Barclays	1000.00
HSBC	1000.00
London	1000.00
Mitani	1000.00
NatWest	1000.00
Paragon	1000.00
Prudential	1000.00
Standard	1000.00

Diversified Industries	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Engineering Vehicles	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
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Asda	1000.00
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BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Food Manufacturers	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
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BTX	1000.00
BTY	1000.00
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BTZ	1000.00

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DAN McDERMOTT, OPERATIONS DIRECTOR, QVC THE SHOPPING CHANNEL.

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Investment Companies	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Government Securities	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Other Financial	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Pharmaceuticals	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Retailers, Food	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Telecommunications	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Textiles & Apparel	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00

Transport	
Asda	1000.00
BT	1000.00
BTG	1000.00
BTI	1000.00
BTM	1000.00
BTN	1000.00
BTX	1000.00
BTY	1000.00
BTZ	1000.00



## business

## Voters should be thankful for the fiscal vigilantes

One of the achievements of the Major Government has been the doubling of Britain's national debt. Interest payments on this debt are the fourth highest category of government spending, after social security, education and health.

The debt matters for a variety of reasons but not necessarily in the ways that many people would expect. For instance, the obvious worry – that the nation is building up a liability that taxpayers will eventually have to honour – is a red herring. For one thing, it is a government liability mainly to British citizens, for whom it is an asset in the form of holdings of gilt edged securities. For another, the level of debt is the result of financing past deficits and has to be serviced. It is unthinkable that the British Government should default so we have to grudge the teeth and pay the taxes that pay the interest.

A more interesting explanation of why the national debt matters is given in a new book by Francis Cavanaugh, a Washington consultant who used to work at the US Treasury. The national debt and proposals for a balanced budget have been a hot topic across the Atlantic, where the Federal government has to shut down twice last winter because Congress had not authorised an increase in its debt ceiling.

Mr Cavanaugh argues that stopping the debt from growing any further is a necessary step to restoring public confidence in government. He writes: "Much of the public cynicism about government undoubtedly arises from the fact that for 26 years leaders of both political parties have failed to deliver on their promises to balance the budget."

"Even voters who do not worry much about the deficits conclude that

ECONOMIC VIEW  
DIANE COYLE

politicians are liars or incompetents because they do not achieve what they (the politicians) say should be achieved.

The same point has been made recently by another American economist, Herbert Stein. "Nothing better reveals the vacuum in economic policy than the gap between the nearly universal statements of aversion to budget deficits and the prospect of exceptionally large deficits as far ahead as the eye can see," he wrote in a paper in 1994.

## 'Politicians cannot have the pleasure of spending without the pain of taxing'

In other words, the national debt matters because its increase reflects the fact that governments have consistently run big budget deficits, despite telling us voters that big budget deficits are a bad thing.

Despite or perhaps because of their performance shortfall, the politicians' message has become more insistent. Kenneth Clarke, Chancellor of the Exchequer, tells anybody who will listen that his aim is to balance the budget in the medium term.

His Labour shadow, Gordon Brown, tries to outdo him in the toughness of his rhetoric. European governments have started to make heroic efforts to meet the ceilings on

deficit and debt set out in the Maastricht Treaty, and are negotiating how to bind themselves to these ceilings after the start of the single currency.

The fashion amongst politicians for the hair shirt raises two interesting questions. Why has fiscal prudence come into vogue? And how will they walk their talk, and put the prudence into practice?

The answer to the first question lies in the power of the financial markets, which have filed the policy vacuum Mr Stein referred to. There

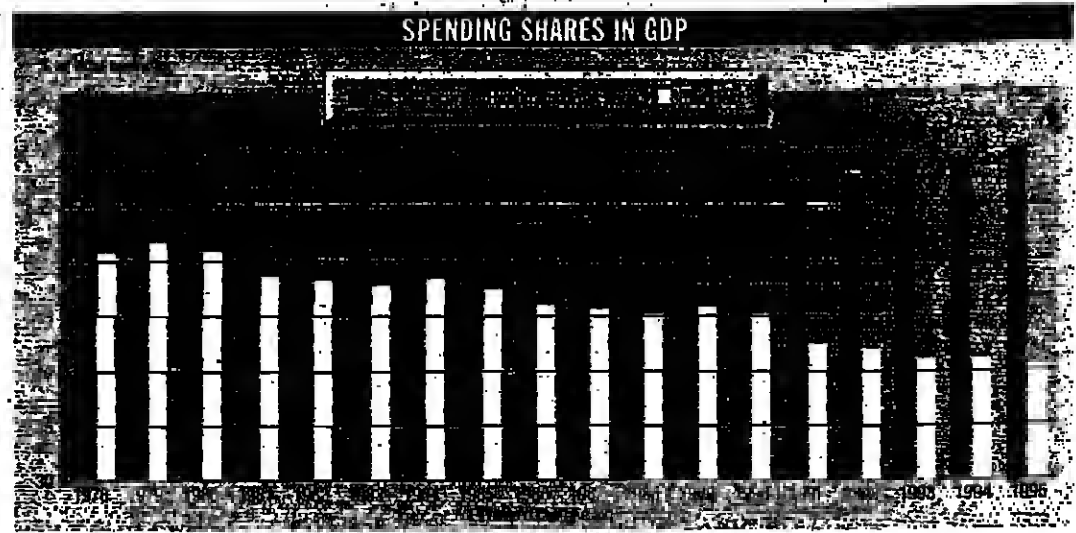
"speculators" tend not to push matters to a crisis until a government has got itself into very big trouble. There have been more crises because some European governments have got themselves into potentially explosive fiscal problems. It would be useful, in fact, to get a bit more foresight from the markets so they would do their vigilante act well before crisis-point. Even so, they are flagging a useful warning of unsustainable debt creation and future tax increases. Voters ought to be grateful rather than critical.

This home truth explains why fiscal caution has entered the vocabulary of politicians. Ministers of finance are well aware that if they appear to be lackadaisical about their budgets, they run the risk of a run on the currency and an increase in market levels of interest rates. Whether they are genuine converts to deficit reduction or just embrace it in order not to be martyred by the markets, they have to appear to believe.

The more difficult question to answer is how governments will achieve their fiscal consolidation. Yesterday's *Green Budget*, presented by investment banker Goldman Sachs and the Institute for Fiscal Studies, calculated what a sustainable government deficit would be in the case of the UK.

There are several possible principles of prudence. One is the "golden rule" that the government should only borrow to finance investment. The appropriate definition of investment is open to debate, but roughly speaking, the rule implies a shortfall between revenues and spending of around 1 per cent of GDP.

An alternative principle, stabilis-



ing the level of national debt, would allow borrowing of 2.5 per cent of GDP on plausible assumptions about likely growth and interest rates. The single currency is likely to set a permanent 3 per cent ceiling on the budget deficit, which would also imply aiming for about 1 per cent of GDP on average. Mr Clarke's balance in the medium term obviously implies a figure of zero instead.

As the *Green Budget* points out, with the PSBR likely to be 3.5 per cent of GDP this year, there is some way to go. If the Government hits its current spending plans, however, it calculates that borrowing would fall below 2 per cent of GDP in 1998/99 and below 1 per cent of GDP in 2000.

Unfortunately there is good reason to be sceptical about the plans. The three big categories, social security, health and education, are the motors of growth in government

spending. Their share of the total has grown steadily. David Walton of Goldman Sachs posed the question clearly yesterday: "The fundamental issue is how the Government's objective of achieving a declining share of spending in GDP can be squared with maintaining the provision of these front-line services at a level and standard that the public expects or needs."

Therapies in the rich industrial countries want their government to continue increasing spending on these services, increasing the quality of health care as medical science advances, for example, or making sure there are computers in classrooms. These things have a cost.

This also goes to the heart of Mr Cavanaugh's book, a moral that applies as much to the UK as to the US: politicians can not have the pleasure of spending without the pain of taxing. Their rhetoric has to go one step

further and admit that either the quality of public services is safe in their hands but taxes will have to go up, or that taxes can fall further but that means a continual squeeze on health, education and social security.

Both parties give us only one side of the equation in the hope that a long-term improvement in economic growth will materialise to transform the algebra for the better. It is a dishonest formula to put before the electorate.

\* *'The Truth about the National Debt'*, Francis Cavanaugh, Harvard Business School Press, September 1996.

\*\* Available from the IFS, 7 Ridgmount Street, London WC1E 7AE. E20. The IFS runs "Be Your Own Chancellor" on its Internet site, <http://www.ifs.org.uk>.

## Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	1.5645	8.4	10.13	1000	—	—	—
Canada	2.185	38.34	10.10	13842	19.18	60.58	—
Germany	2.3919	58.82	172.183	12895	31.28	96.96	—
France	6.0634	176.57	485.458	51888	140.55	335.93	—
Italy	2.2818	42.58	129.17	8213	345.41	920.130	—
Japan	174.2	67.43	249.343	114.8	51.50	151.48	—
ECU	1.9497	10.17	30.1	125.19	13.14	44.45	—
Belgium	48.236	14.10	38.31	31.509	75.55	213.82	—
Denmark	9.165	16.51	531.44	58559	59.79	236.27	—
Netherlands	2.0848	74.46	179.29	39.57	121.15	122.7	—
Ireland	0.9783	1.3	4.6	152.26	3.2	8.4	—
Norway	10.74	130.70	270.880	63.028	50.45	189.89	—
Spain	20.21	16.25	45.82	125.61	16.20	40.48	—
Sweden	10.323	11.5	38.22	63.850	41.18	132.01	—
Switzerland	1.9386	11.5	28.20	125.25	42.12	125.25	—
Australia	1.9820	13.20	35.45	129.88	14.16	35.35	—
Hong Kong	12.597	610.210	360.430	72.220	2.4	2.7	—
Malaysia	3.2890	0.0	0.0	2.5550	27.30	80.85	—
New Zealand	22.889	74.82	210.223	145.02	54.56	193.89	—
Saudi Arabia	5.0877	0.0	0.0	3.7505	1.4	5.9	—
Singapore	2.2558	0.0	0.0	14.538	24.19	70.85	—

## Other Spot Rates

Country	Spot	Dollar	Country	Spot	Dollar
Argentina	156.000	125.368	Nigeria	125.368	125.368
Australia	1.9820	10.7577	Portugal	16.025	10.950
Brazil	1.0022	10.238	Philippines	57.000	36.930
China	12.9503	8.3005	Poland	41.935	26.300
Egypt	5.3798	34.073	Portugal	241.987	16.480
France	6.0634	41.015	Russia	5.6922	5.6922
Ghana	2.0744	7.7000	South Africa	8450.25	54.700
Greece	375.475	238.920	Taiwan	7.080	45.425
India	55.776	35.650	Taiwan	43.0532	27.500
Kuwait	0.4885	0.3000	UAE	5.7482	38.730

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Dollar rates quoted low to high are at a premium.  
Dollar rates quoted as redoubles.  
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## Interest Rates

Country	5.75%	Discount	2.50%	US	Prime	6.75%	Japan	Discount	0.50%
UK	—	—	—	—	—	—	—	—	—
France	—	—	—	—	—	—	—	—	—
Germany	—	—	—	—	—	—	—	—	—
Italy	—	—	—	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—	—	—
Denmark	—	—	—	—	—	—	—	—	—
Sweden	—	—	—	—	—	—	—	—	—
Switzerland	—	—	—	—	—	—	—	—	—
Belgium	—	—	—	—	—	—	—	—	—
Spain	—	—	—	—	—	—	—	—	—
Portugal	—	—	—	—	—	—	—	—	—
Greece	—	—	—	—	—	—	—	—	—
Poland	—	—	—	—	—	—	—	—	—
Czech	—	—	—	—	—	—	—	—	—
Slovak	—	—	—	—	—	—	—	—	—
Hungary	—	—	—	—	—	—	—	—	—
Romania	—	—	—	—	—	—	—	—	—
Bulgaria	—	—	—	—	—	—	—	—	—
Slovenia	—	—	—	—	—	—	—	—	—
Croatia	—	—	—	—	—	—	—	—	—
Serbia	—	—	—	—	—	—	—	—	—
Yugoslavia	—	—	—	—	—	—	—	—	—
Malta	—	—	—	—	—	—	—	—	—
Lithuania	—	—	—	—	—	—	—	—	—
Latvia	—	—	—	—	—	—	—	—	—
Estonia	—	—	—	—	—	—	—	—	—
Finland	—	—	—	—	—	—	—	—	—
Iceland	—	—	—	—	—	—	—	—	—
Faroe	—	—	—	—	—	—	—	—	—
Guernsey	—	—	—	—	—	—	—	—	—
Jersey	—	—	—	—	—	—	—	—	—
Manx	—	—	—	—	—	—	—	—	—
Channel Islands	—	—	—	—	—	—	—	—	—
Isle of Man	—	—	—	—	—	—	—	—	—
Guernsey	—	—	—	—	—	—	—	—	—
Jersey	—	—	—	—	—	—	—	—	—
Manx	—	—	—	—	—	—	—	—	—
Channel Islands	—	—	—	—	—	—	—	—	—
Isle of Man	—	—	—	—	—	—	—	—	—

## Bond Yields

Country	5yr yield %	10yr yield %	Country	5yr yield %	10yr yield %
UK	7.1%	8.2%	Netherlands	4.0%	4.8%
US	5.9%	6.3%	Spain	10.0%	10.5%
France	5.5%	6.0%	Sweden	6.0%	6.5%
Germany	5.5%	6.0%	Switzerland	4.0%	4.8%
Italy	5.5%	6.0%	Belgium	4.0%	4.8%
Japan	5.5%	6.0%	Portugal	10.0%	10.5%
Australia	5.5%	6.0%	Poland	10.0%	10.5%
Canada	5.5%	6.0%	Czech	10.0%	10.5%
South Africa	5.5%	6.0%	Slovak	10.0%	10.5%
Hong Kong	5.5%	6.0%	Hungary	10.0%	10.5%
Malaysia	5.5%	6.0%	Romania	10.0%	10.5%
New Zealand	5.5%	6.0%	Bulgaria	10.0%	10.5%
Saudi Arabia	5.5%	6.0%	Slovenia	10.0%	10.5%
Singapore	5.5%	6.0%	Croatia	10.0%	10.5%
			Serbia	10.0%	10.5%
			Yugoslavia	10.0%	10.5%
			Malta	10.0%	10.5%
			Lithuania	10.0%	10.5%
			Latvia	10.0%	10.5%
			Estonia	10.0%	10.5%
			Finland	10.0%	10.5%
			Iceland	10.0%	10.5%
			Faroe	10.0%	10.5%
			Guernsey	10.0%	10.5%
			Jersey	10.0%	10.5%
			Manx	10.0%	10.5%
			Channel Islands	10.0%	10.5%
			Isle of Man	10.0%	10.5%
			Guernsey	10.0%	10.5%
			Jersey	10.0%	10.5%
			Manx	10.0%	10.5%
			Channel Islands	10.0%	10.5%
			Isle of Man	10.0%	10.5%

## Money Market Rates

Country	1 Month	3 Months	6 Months	1 Year
UK	—	—	—	—
France	—	—	—	—
Germany	—	—	—	—
Italy	—	—	—	—
Netherlands	—	—	—	—
Denmark	—	—	—	—
Sweden	—	—	—	—
Switzerland	—	—	—	—
Belgium	—	—	—	—
Spain	—	—	—	—
Portugal	—	—	—	—
Greece	—	—	—	—
Poland	—	—	—	—
Czech	—	—	—	—
Slovak	—	—	—	—
Hungary	—	—	—	—
Romania	—	—	—	—
Bulgaria	—	—	—	—
Slovenia	—	—	—	—
Croatia	—	—	—	—
Serbia	—	—	—	—
Yugoslavia	—	—	—	—
Malta	—	—	—	—
Lithuania	—	—	—	—
Latvia	—	—	—	—
Estonia	—	—	—	—
Finland	—	—	—	—
Iceland	—	—	—	—
Faroe	—	—	—	—
Guernsey	—	—	—	—
Jersey	—	—	—	—
Manx	—	—	—	—
Channel Islands	—	—	—	—
Isle of Man	—	—	—	—

## Tourist Rates

Country	1995	1996	Country	1995	1996
Australia	1.9820	10.7577	Portugal	16.025	10.950
Canada	2.185	38.34	Poland	41.935	26.300
France	6.0634	41.015	Portugal	241.987	16.480
Germany	2.3919	58.82	Russia	5.6922	5.6922
Italy	2.2818	42.58	South Africa	8450.25	54.700
Japan	174.2	67.43	Taiwan	7.080	45.425
ECU	1.9497	10.17	Taiwan	43.0532	27.500
Belgium	48.236	14.10	UAE	5.7482	38.730
Denmark	9.165	16.51			
Netherlands	2.0848	74.46			
Ireland	0.9783	1.3			
Norway	10.74	130.70			
Spain	20.21	16.25			
Sweden	10.323	11.5			
Switzerland	1.9386	11.5			
Australia	1.9820	10.7577			
Hong Kong	12.597	610.210			
Malaysia	3.2890	0.0			</



## Obree's riding position banned

## Cycling

ROBIN NICHOLL  
reports from Lugano

Graeme Obree again has world cycling back-peddalling. After Olympic and world titles, the "Superman" racing style, the Union Cycliste Internationale are banning the extended handbarbs he designed to suit the style.

A new ruling will limit the extensions to 15cm, which is half the length of the bars Obree used to regain the world 4,000 metres pursuit title last year.

"We want riders to win because they are the best, rather than because they have the best equipment," the UCI president, Hein Verbruggen, said.

"As far as I am concerned they are not putting riders' interests first," Obree said. "If I am going to get hauled out of the point in racing, I have already decided that he might retire to concentrate on marketing adjustable versions of his handlebars."

Obree devised the style which has the arms outstretched ahead of the rider, and in his case, his hands level with the front of his seat. Chris Boardman used it to take the world 4,000 metres title and then the world hour record.

Today Obree is chasing his second world title of the year against a strong local challenge from Alex Zülle and Tony Rominger.

Britain's best display on the opening day of the world road championships was a good sign for Boardman. Paul Manning, who partnered the world champion to a recent victory, finished 10th in the Under-23 time trial, 2min 39sec off the winning pace of Italy's Luca Sironi.

Yvonne McGregor was 16th in the women's 26.4km time trial, 2:45 slower than the French winner, Jeannie Longo, who, at 38, took her 11th world gold. Results, Digest, page 31

## Second false start fears for regatta

## Sailing

STUART ALEXANDER  
reports from Barcelona

A regatta that has already struggled to get off the mark was dealt another massive blow last night as the international jury at the Glenfield Gold Cup in Barcelona considered throwing out the only race so far completed by the 47 Melges 24s from 10 countries.

There had been no racing on the opening day as the breeze off the Olympic port refused to arrive and the competitors were in no mood to be disciplined at the start yesterday. So, after two attempts which had to be abandoned for a general recall, the race officer raised a warning black flag promising immediate disqualification for any miscreant.

First in the top mark was the Tornado sailor Rob White, who had to sail with a crew of three rather than four since they took 306 of the maximum 345.5 kilos and could not find a fourth crewman weighing less than 40kg. But making the best of the conditions was an American, Dave Chaplin, Florida-based, but racing a Melges out of Annapolis.

Second was the local man Luis-Martinez Dorreste, with the now 60-year-old Olympic silver medalist Keith Muscat carrying British colours into third. But the rules-conscious British then pointed out that several boats had been in the triangle of the course illegally after the five-minute warning and should be disqualified, raising the possibility of no results for the second day racing.

## TODAY'S FIXTURES

Rugby League  
7.30 Wales v Scotland  
TOUR MATCHES: Cumbria v Australian Aborigines (at Sarum); Lion Red Cup VIII v Great Britain (at Cardiff Park, NZ, 7.30am)

Basketball  
BUDWEISER LEAGUE: Plymouth v Leicester v Derby Storm (7.0)

Speedway  
BILLY SUTTONS INTERNATIONAL TROPHY (at Doncaster, 7.0)

Other sports  
GOLF: Alfred Dunhill Cup (at St Andrews, 10.00am); LTA Singles (at Shaftesbury, 10.00am)

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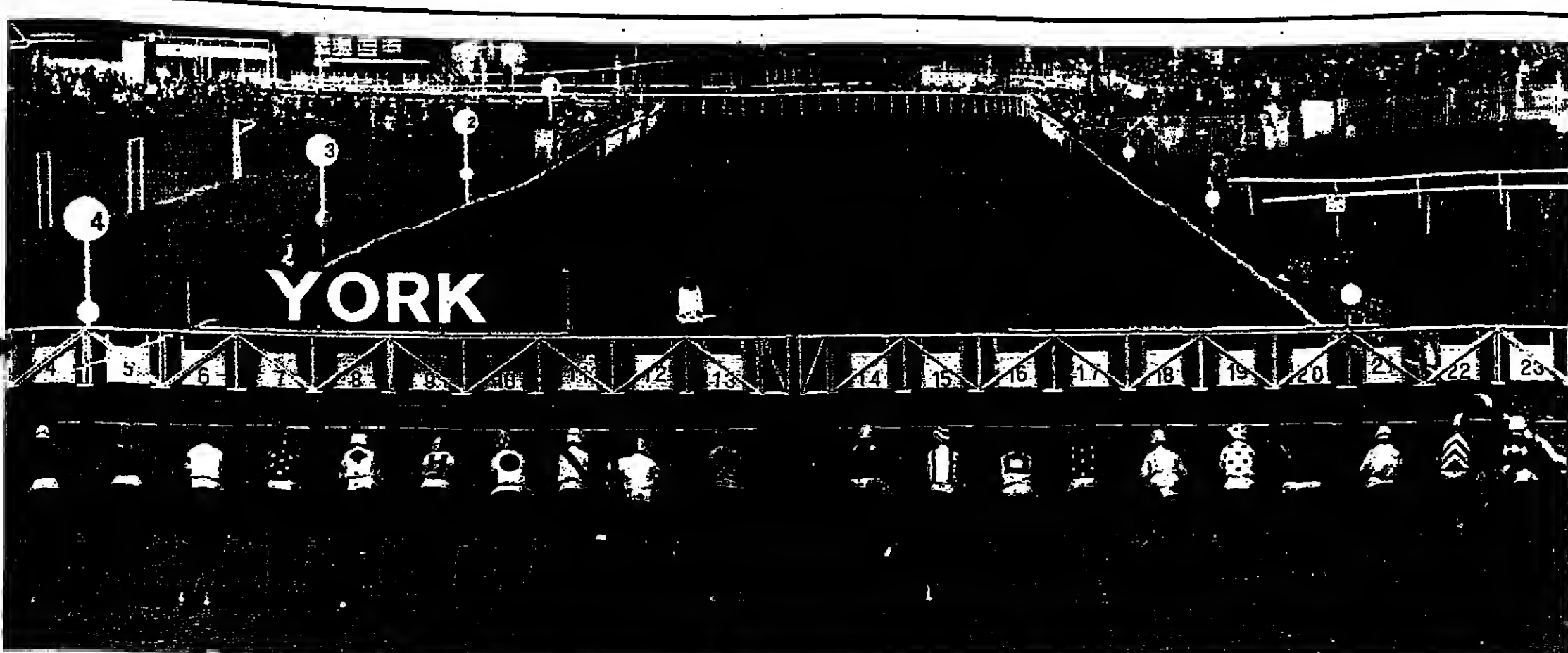
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All in: The runners for the sprint handicap at York yesterday are in their berths and the stalls are about to burst open before a success for Gone Savage from stall five

Photograph: David Ashdown

## Champion aim as Cecil hits century

Henry Cecil, fighting out the Flat trainers' championship with Saeed bin Suroor, notched his century of winners with a double at Nottingham yesterday, helping champion-jockey elect, Pat Eddery, to a treble in the process.

After a satisfactory gallop, Bora Sham, the 1,000 Guineas

**RICHARD EDMONDSON**  
NAP: Verzen  
(York 3.00)  
NB: Princess Topaz  
(York 4.00)

winner, will be on Cecil's side in the race that may well decide the destination of the title, the Champion Stakes at Newmarket on Saturday week.

Martin Pipe's ex-stable jockey, David Bridgwater, has signed a contract to ride the horses of the trainer's former owner, Darren Mercer, including Banjo and Escartefigue.

## RESULTS

## YORK

2.00: 1. ANTON (M) 7-2; 2. Style Dancer 14-3; 3. Bora Sham 12-3; 4. 2-1; 5. 16-1; 6. 16-1; 7. 16-1; 8. 16-1; 9. 16-1; 10. 16-1; 11. 16-1; 12. 16-1; 13. 16-1; 14. 16-1; 15. 16-1; 16. 16-1; 17. 16-1; 18. 16-1; 19. 16-1; 20. 16-1; 21. 16-1; 22. 16-1; 23. 16-1; 24. 16-1; 25. 16-1; 26. 16-1; 27. 16-1; 28. 16-1; 29. 16-1; 30. 16-1; 31. 16-1; 32. 16-1; 33. 16-1; 34. 16-1; 35. 16-1; 36. 16-1; 37. 16-1; 38. 16-1; 39. 16-1; 40. 16-1; 41. 16-1; 42. 16-1; 43. 16-1; 44. 16-1; 45. 16-1; 46. 16-1; 47. 16-1; 48. 16-1; 49. 16-1; 50. 16-1; 51. 16-1; 52. 16-1; 53. 16-1; 54. 16-1; 55. 16-1; 56. 16-1; 57. 16-1; 58. 16-1; 59. 16-1; 60. 16-1; 61. 16-1; 62. 16-1; 63. 16-1; 64. 16-1; 65. 16-1; 66. 16-1; 67. 16-1; 68. 16-1; 69. 16-1; 70. 16-1; 71. 16-1; 72. 16-1; 73. 16-1; 74. 16-1; 75. 16-1; 76. 16-1; 77. 16-1; 78. 16-1; 79. 16-1; 80. 16-1; 81. 16-1; 82. 16-1; 83. 16-1; 84. 16-1; 85. 16-1; 86. 16-1; 87. 16-1; 88. 16-1; 89. 16-1; 90. 16-1; 91. 16-1; 92. 16-1; 93. 16-1; 94. 16-1; 95. 16-1; 96. 16-1; 97. 16-1; 98. 16-1; 99. 16-1; 100. 16-1; 101. 16-1; 102. 16-1; 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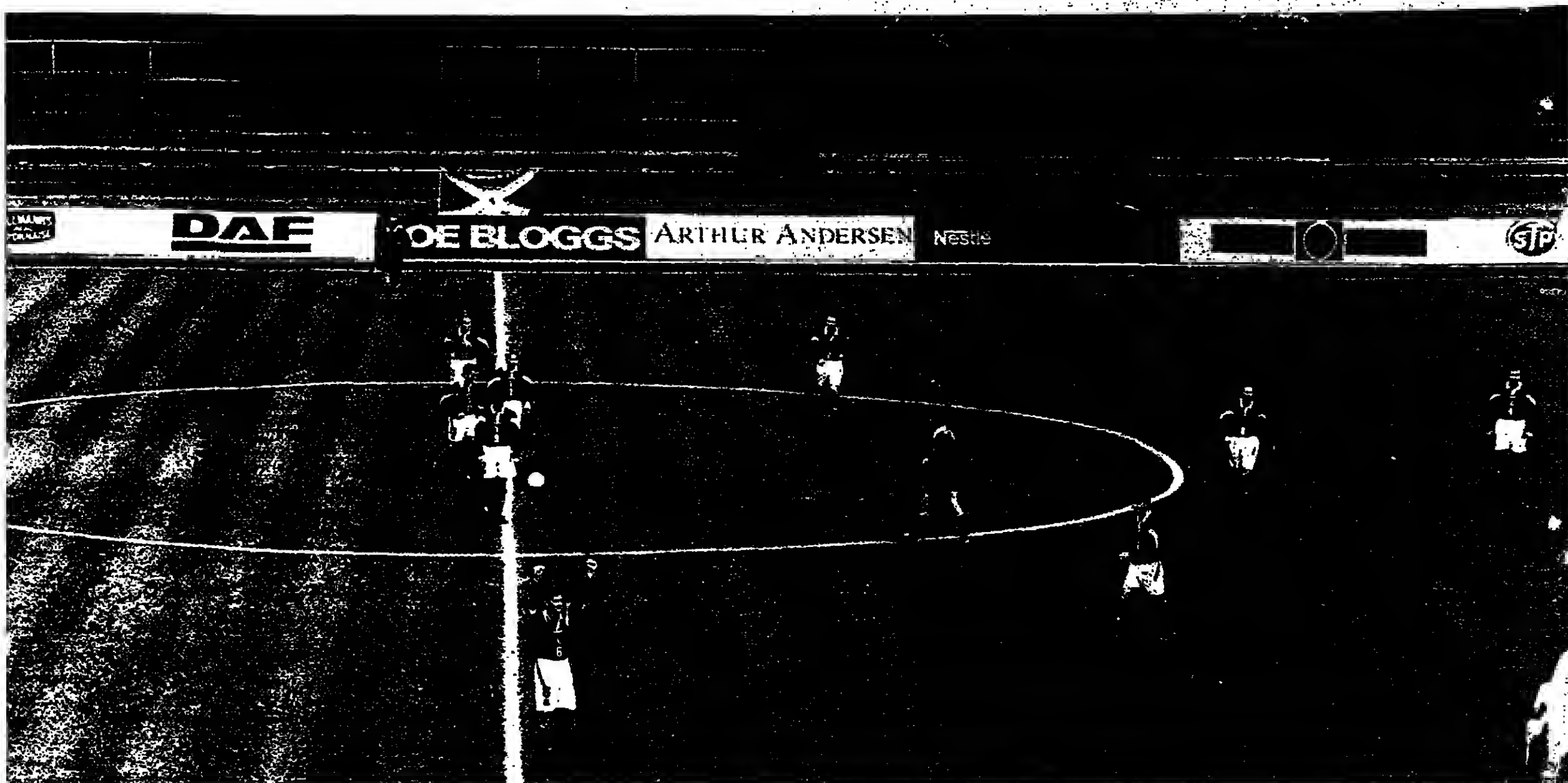






'I hope he goes out and wins it and doesn't just let it come to him'  
**Derick Allsop** on Damon Hill's prospects at the Japanese Grand Prix Page 30

**WORLD CUP FOOTBALL:** Estonia face sanctions for failing to turn up at revised kick-off time after dispute over floodlighting



A most one-sided affair: Scotland begin and end their World Cup qualifying 'match' against Estonia yesterday with a single kick from Billy Dodds to John Collins

Photographs: Matthew Ashton/PA Images

## Scotland await verdict after farce

PHIL SHAW  
 reports from Tallinn

It was a scenario with which every Sunday morning player will be familiar: one team turns up, the other does not. The difference here in the Kadrioru Stadium yesterday was that this was a World Cup qualifying match, not a park kickabout, and Estonia's extraordinary refusal to fulfil the fixture left Scotland all dressed up with no one to play.

In order to satisfy their obligations to Fifa, the game's world governing body, the Scotland team duly marched on, in full kit, three minutes before the re-arranged kick-off time of 3pm local time. With the Estonian half of the pitch empty, the Scots lined up in formation. Billy Dodds rolled the ball forward from the centre spot to John Collins, captaining his country for the first time. The referee immediately blew his whistle and led the Scotland team off.

With the exception of the national anthems, all the formalities had been observed. Collins shook hands with the Yugoslav

referee, Miroslav Radoman, while the linesmen checked there were no holes in the goal nets. No sooner had the thousand or so Scotland supporters launched into an ironic chorus of "get in the team" than Radoman ended the farce.

Ended it, that is, as far as Scotland were concerned. As they prepared to leave for the airport, the floodlights at the centre of the controversy flickered into life. The electronic scoreboard was still stubbornly showing the kick-off as 6.45, and the Estonian military began assuming their positions.

Scotland's fans, who had made a 2,000-mile round trip for the games with Latvia last Saturday and Estonia, took the abandonment in good humour. They sang: "There's only one team in Tallinn" as they dispersed, though the highest cheer came when a killed fan charged on with a ball and dribbled it into the goal.

Even now this bizarre episode may not be over. The initial indications from Fifa's match delegate, Jean-Marie Gantenbein of Luxembourg, were that Scotland would be

awarded the match. Later however, Fifa said that no decision had been made and that reports from the referee and Gantenbein, as well as a protest from the Estonian authorities, would be considered by the World Cup organising committee. A decision will be made at the committee's meeting on 7 November.

A Fifa statement pointed out that its regulations state when a team does not report for a match the opponents will be awarded a 3-0 victory and the three points, "except in cases of force majeure recognised by the organising committee".

Keith Cooper, a Fifa spokesman, said: "Other options are at the discretion of the committee if a team can't make it to a match because of circumstances beyond their control, but there are no precedents for this."

"The Estonian FA have indicated to us that they had a logistical problem which prevented them getting to the stadium on time for the revised kick-off and that could be taken into account if it can be proved to be true."

Estonia, meanwhile, may face severe penalties, possibly even expulsion, by Fifa. They will undoubtedly ask why Fifa's stadium committee, which is chaired by the former Scottish Football Association secretary Ernie Walker, passed the Kadrioru stadium in the first instance.

The saga of the game that never was had begun innocuously enough 24 hours earlier when Gantenbein, the Fifa delegate for the Group Four fixture, raised doubts about the standard of the temporary floodlighting hired from Finland. Craig Brown, the Scotland manager, asked to see them on "full beam" after Tuesday's Under-21 match and was unhappy with what he saw.

As a result, the Scottish FA faxed a complaint late on Tuesday night to Fifa's headquarters in Zurich. Copies were also placed under the doors of Messrs Gantenbein and Radoman. Brown said that his team would play at the appointed hour - 6.45pm - but only under duress.

Fifa's emergency committee convened at 2.30am yesterday

and upheld Scotland's protest. The delegate informed both national associations that the game would now start three-and-three-quarter hours earlier, in daylight, and that seemed to be the end of the matter.

The Estonian FA, however, refused to accept the ruling. High among their considerations was the fact that BBC Television had agreed to pay them £50,000 for the right to screen the match live in Scotland. With the Dunblane Memorial Service already scheduled for coverage at the new kick-off time, there was no question of the BBC showing the game live. That would have meant the Estonians having to accept a drastically reduced fee.

Even as late as 2.30pm, with his squad out on the pitch warming up, Brown was convinced that Estonia would turn up to play. But a vice-president of their FA, Aivar Pohlak, insisted that their Icelandic coach, Teitur Thordarson, was sticking to his original plans. The players were having lunch 65 miles away, he said, and would be turning up for a 6.45 start.

That way the Estonians would incur only nominal fines for not being at the ground two hours ahead of kick-off and for handing in their team-sheet late. But they were not bluffing, and Pohlak went on to accuse the Scots of being unsporting. "It was made clear this morning that we couldn't come before the original agreed time," he said. "When we got the instruction we told Fifa we couldn't change. We believe the Scottish FA has been very unfair to us."

Mart Tarmak, another vice-president of the Estonian FA, said later that his country would be prepared to play Scotland twice in Britain rather than concede the points. He said: "We would prefer if Scotland would come back here for a rematch because our supporters deserve to see the match which they have paid for. If not, we will be prepared to play in Scotland twice." Estonia are due in Scotland next March.

Jim Farry, the SPAs chief executive, expressed sympathy for Estonia's predicament, admitting he would be less than

pleased if a game at Hampden Park were suddenly switched to midday. But he added: "Fifa's committee reflected overnight and consulted the delegate this morning. It was his firm view that the conditions did not meet the minimum requirements."

"We received a fax at 10am informing us that the match was to kick off at 3pm. And that was their final decision. Our argument was not based purely on the power of the lights. It was on the sporting principle that our goalkeeper couldn't see the ball coming in from the left side of the pitch, which of course affects both teams."

Asked whether the issue of television rights was "the bottom line", Farry replied: "Finance was mentioned."

Thordarson, the Estonia manager, said he felt there was "something dirty" about the

whole affair and added: "I feel terrible. It was too late for us to change the time when we were told."

One reason why Scotland are keen that the match should not be replayed is that Gary McAllister was suspended for this fixture but will be available for Scotland's match next month against Sweden.

Yesterday's remarkable events had echoes of 1973, when Russia refused to play Chile in Santiago in a World Cup play-off match as a protest against the recently established Pinochet regime. The Chileans kicked off and walked the ball into the net before the referee called a halt.

SCOTLAND (names that took field to play Estonia, World Cup qualifying Group Four): Garry McAllister, Boyd, Galloway, 7 McAllister, Lafferty, Collins, Dunne, Gordon, Jackson, 1 McGuffee, Substitutes: Leighton, White, Morrison, Gormley, 8 McInnes, McCall, Freedman.

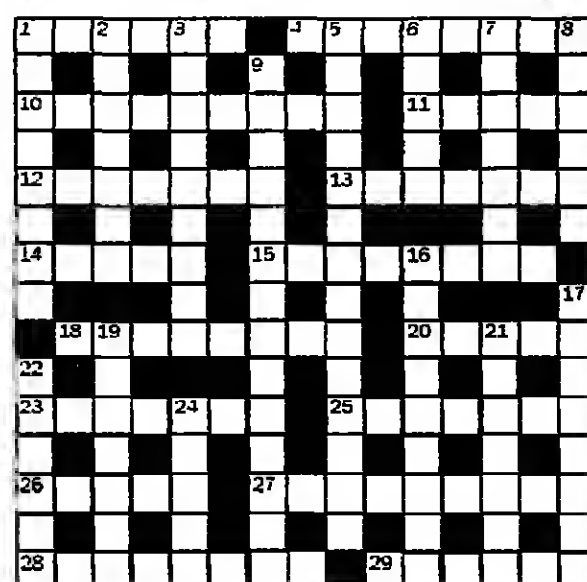
Referee: Miroslav Radoman (Yugoslavia).

### THE INDEPENDENT CROSSWORD

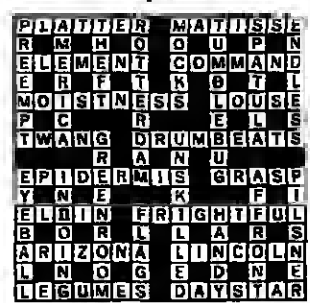
No. 3114, Thursday 10 October

By Sparrows

Wednesday's solution



- ACROSS**
- 1 Legendary US agent holding a law degree (6)
  - 4 Old boy's story about contralto's impediment (8)
  - 10 Open University study period seen by East German as extremely remote (9)
  - 11 Courage shown by monarch, sec, going through northern Spain (5)
  - 12 Bishop accepts blame for digging up climbing plant (7)
  - 13 Old piece about Hawaii featured in show (7)
  - 14 Sight possibly seen on common sometimes? (5)
  - 15 Information American provided about a doctor is shocking (8)
  - 18 Military HQ in Pennsylvania divided about army move (8)
  - 20 Attractive female youth leader seen with legislator in New Hampshire (5)
  - 23 Account about one carried back needing oxygen? (7)
  - 25 Ensure compliance with measure favouring established church (7)
  - 26 Happen to drop into our cricket club (5)
  - 27 Attitude of deference from Bacon I see as misplaced (9)
  - 28 Form of tenure here that's been amended in pen (8)
  - 29 Light brown motor yacht crossing river (6)



- DOWN**
- 1 Sole means of support? (8)
  - 2 Striker separated from his comrade by a chain (7)
  - 3 Part played mostly by people in hospital department recording names (9)
  - 5 Unlikely to be catching? (6-8)
  - 6 Smell when head's cut off fish (5)
  - 7 Most unfashionable for West Indian to ride on reindeer (7)
  - 8 Steven runs in races (6)
  - 9 Where they teach you how to get on? (8, 6)
  - 16 Almost fear endlessly churned up by list of promises (9)
  - 17 Hear husband one night gets caught in dishonest behaviour (8)
  - 19 Painkillers relieve it to some extent, being near a chemist (7)
  - 21 Training seminar for troops (7)
  - 22 Give P45s? End of story (6)
  - 24 Man lying on hospital bed (5)



The extra 'brilliance' brought by these temporary lights to Tallinn's Kadrioru stadium was not enough to persuade Fifa that the game should kick-off at 6.45 as scheduled

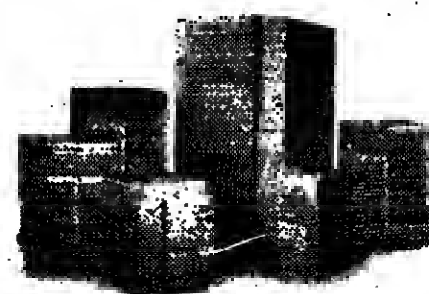
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### MORSE

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